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Kuwait's Diplomacy and the Formulation of Arab Oil Policies, 1970–1973

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Cover Image

Arab oil ministers' meeting was held at the Sheraton Hotel in Kuwait on 17 October 1973. Kuwait's oil minister Atiqi is second from the right front. (Photo from Al Qabas Newspaper)

ABSTRACT

In response to the outbreak of the October War in 1973, oil ministers from member countries of the Organization of Arab Petroleum Exporting Countries (OAPEC) decided to cut oil production and limit oil supplies to countries that were supporting Israel. Most scholars have argued that OAPEC's adoption of this policy was the result of an agreement between Egypt and Saudi Arabia. However, the other Arab oil-producing countries accounted for the majority of the Arab world's oil production in 1973. This paper focuses on the generally overlooked role of Kuwait, the second-largest Arab oil producer in the early 1970s, in advocating the oil production cut and embargo. It shows that Kuwait was an essential actor in the formulation and implementation of this policy.

INTRODUCTION

On 17 October 1973, in the midst of the October War between Israel and its Arab neighbours, oil ministers from member countries of the Organization of Arab Petroleum Exporting Countries (OAPEC), with the exception of Iraq, announced the decision that every Arab oil-exporting country would cut its oil production immediately in order to alter the pro-Israel policy of the United States—‘the principal and foremost source of Israeli power’—by impairing its economy.¹ In addition to the decision to cut oil production, Arab oil-producing countries also imposed an oil embargo specifically against the United States and, later, against the Netherlands, claiming that these countries unfairly supported Israel. To date, these acts stand as an example of the most significant use of a natural resource as a political tool by Arab countries.

Most scholars conducting research on the oil crisis of 1973 have only focused on the primary role played by Saudi Arabia and Egypt in the Arab oil embargo and production cut. Political economist Tim Niblock, for example, argues that the improved relationship between Saudi Arabia and Egypt at the end of the North Yemen Civil War (1962–1970) significantly contributed to the formation of a close collaboration between Cairo and Riyadh, which in turn steered Saudi Arabia towards orchestrating an oil embargo against the United States.² Other authors have been even more emphatic in their attribution of Saudi leadership on this issue. Political scientist William Quandt, for example, states that ‘[t]he October 1973 war brought the Saudis directly into the arena as they took the lead first in wielding the “oil weapon” on behalf of the Arabs’.³ Abdulaziz al-Sowayegh, a Saudi political scientist, distinctly states that ‘Saudi Arabia took a leading position in the oil war effort’.⁴ Further, Sheikh Rustum Ali, a Bangladeshi scholar of international relations, describes Saudi Arabia as ‘the leading country in the imposition of the embargo in 1973’.⁵ In this way, Saudi Arabia has consistently been positioned as the central player among the Arab oil-producing

¹ ‘Bayan al-majlis al-wizari li-munazzamat al-duwal al-‘Arabiyah al-musaddirah lil-naft’ (‘Resolution adopted by the conference of oil ministers of OAPEC’) (Kuwait, 17 October 1973) in *al-Siyasah* (Kuwait, 18 October 1973), compiled in Jurj Khuri Nasrallah (ed.), *al-Watha’iq al-Filastiniyah al-‘Arabiyah li-‘am 1973* (Beirut: Mu’assasat al-Dirasat al-Filastiniyah, 1976), p. 379–380. English translation is available in Jorgen S. Nielsen (ed.), *International Documents on Palestine 1973* (Beirut: Institute for Palestine Studies; Kuwait: The University of Kuwait, 1976), pp. 487–488.

² Tim Niblock, *Saudi Arabia: Power, Legitimacy and Survival* (London: Routledge, 2006), pp. 59–60.

³ William Quandt, *Saudi Arabia in the 1980s: Foreign Policy, Security, and Oil* (Washington, D.C.: The Brookings Institution, 1981), p. 112.

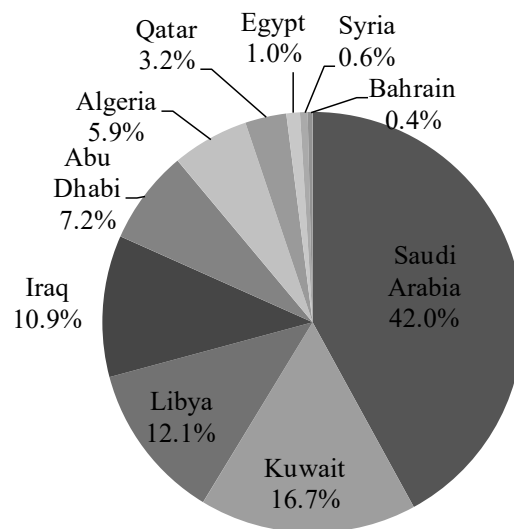
⁴ Abdulaziz al-Sowayegh, *Arab Petropolitics* (London: Croom Helm, 1984), p. 125.

⁵ Sheikh Rustum Ali, *Saudi Arabia and Oil Diplomacy* (New York: Praeger Publishers, 1976), p. 108.

countries of this era.

However, there are two problems with this Saudi-centred narrative. First, it is a fact that Saudi Arabia accounted for the largest portion—42%—of oil produced in the Arab world in 1973, but this also implies that 58% of the total oil was produced by other Arab countries (Figure 1). Therefore, it is not reasonable to explain the 1973 Arab oil policies by focusing only on Saudi Arabia’s role. Second, the Saudi government of this era was ‘one of the most pro-US governments in the Arab world’ in the words of the French writer Jacques Benoist-Méchin; hence, it is difficult to believe that Saudi Arabia lead in shaping aggressive oil policies against the United States.⁶ Its oil development and production greatly depended on the operation of American oil companies, which conferred tremendous benefits on the Saudi government. These points suggest the possibility that other Arab actors played more instrumental roles in formulating Arab oil policies.

Figure 1. Share of Oil Production among OAPEC States in 1973⁷



Kuwait, Iraq, and Libya were the largest Arab oil producers after Saudi Arabia, with each producing over 10% of Arab oil in 1973. From among these countries, Kuwait has received relatively lesser attention in previous studies. Furthermore, Kuwait’s

⁶ Jacques Benoist-Méchin, *Fayçal, Roi d'Arabie* (Paris: Livre de Poche, 1976), p. 167.

⁷ Organization of Arab Petroleum Exporting Countries, *A Brief Report on the Activities and Achievements of the Organization 1968–1973* (Kuwait: Al-Qabas Printing Press, 1973), p. 17.

diplomacy has been seen as passive, according to Abdul-Reda Assiri, a leading expert on Kuwait's diplomacy and who has insisted that 'Kuwait's foreign policy is not active or initiatory, but rather reactive'.⁸ However, this article challenges his understanding of Kuwait's foreign policy by highlighting its proactive character in the early 1970s.

This study differs from preceding studies as follows. First, it attempts to provide an insight into the policymaking process in the years prior to the October War. Previous studies have stressed the political process during and after the war, and there are only a few accounts of political developments before this time.⁹ Second, this article focuses on Kuwait in order to add a new perspective to the narrative on the 1973 Arab oil policies that have been predominantly depicted as being controlled by Saudi Arabia and Egypt. Thus, this article will clearly demonstrate how Kuwait played a much greater role than what has previously been recognised.

KUWAIT'S DIPLOMACY PRIOR TO THE OCTOBER WAR

The 1967 war resulted in territorial losses for the Arab states—Egypt, Syria, and Jordan—to Israel. In order to compensate for a part of their economic losses caused by the war, Kuwait provided economic assistance to these three countries together with Saudi Arabia and Libya.¹⁰ Frustrations over Israel's prolonged and deepening occupation of these lands also mounted in Kuwait, where Palestinians made up the largest minority group—approximately 20% of Kuwait's total population—followed by other non-Kuwaiti Arabs such as Egyptians and Syrians.¹¹

Their frustration over Israeli aggression was closely connected with anti-US sentiments, since it was widely believed in the Arab world that the United States and United Kingdom supported Israel with military aircrafts during the 1967 war.¹² In addition, US President Lyndon Johnson announced the sale of Phantom fighters to Israel in October 1968, which increased the anti-US sentiment among the Arab people.¹³ On the other hand, there was a growing presence of Palestinian organizations in the Arab

⁸ Abdul-Reda Assiri, *Kuwait's Foreign Policy: City-State in World Politics* (Boulder, CO: Westview Press, 1990), p. 11.

⁹ For example, William Cleveland only discusses the oil embargo itself and its consequences; there is no explanation of the process prior to the October War. [William L. Cleveland, *A History of the Modern Middle East* (Boulder, CO: Westview Press, 2000), p. 366, 442.]

¹⁰ Rosemarie Said Zahlan, *Palestine and the Gulf States: The Presence at the Table* (London: Routledge, 2009), p. 37.

¹¹ Ministry of Planning, The State of Kuwait, *Population Census 1970* (Kuwait: Central Statistical Office, 1972), p. 9.

¹² William Rugh, 'Arab Media and Politics during the October War,' *Middle East Journal*, 29 (Summer 1975), p. 310.

¹³ William Quandt, *Decade of Decisions: American Policy toward the Arab-Israeli Conflict, 1967–1976* (Berkeley, CA: University of California Press, 1977), p. 67.

political scene particularly after the Palestinian liberation group Fatah battled against Israeli troops in the Jordanian town of al-Karamah. Fatah's performance in this battle paved the way for its control over the Palestine Liberation Organization (PLO) in 1969.¹⁴

Being well aware of the anti-US sentiment in Kuwait and the Arab world, in 1970, Kuwait's political elite began to blame the countries that supported Israel. Kuwait's Crown Prince Jaber al-Ahmad stated in June 1970 that '[i]t has become essential that we should adopt a unanimous Arab attitude (*mawqif 'Arabī*) to the interests of the countries that still support Israel and encourage it to continue its aggression and its occupation of Arab territory'.¹⁵ With regard to the phrase 'countries that still support Israel', the Kuwaiti National Assembly adopted the following resolution in April 1971 and specifically criticized three Western countries—the United States, the United Kingdom, and West Germany:

[T]his Assembly condemns in the strongest terms the attitude of the United States of America, which is one of flagrant alignments against the whole Arab nations. [...] This Assembly furthermore condemns Britain's underhanded policy both as regards [to] the Palestine problem and in the Gulf [...] and also the policy of West Germany'.¹⁶

In the above statement made by the Crown Prince, the meanings of the phrases 'unanimous Arab attitude' and 'countries that still support Israel' were ambiguous; nonetheless, they conjured an image of the implementation of some type of Arab policy against pro-Israeli countries.

As for inter-Arab politics, Kuwait's foreign policy in the early 1970s prioritised the

¹⁴ Israeli troops entered the Jordanian town of al-Karamah in February 1968 as a retaliation against Palestinian raids, but they were met by stiff opposition by Fatah. Although this was technically a defeat for the Palestinians, the battle became a propaganda victory for Fatah. [Charles D. Smith, *Palestine and the Arab-Israeli Conflict: A History with Documents* (Boston, MA: Bedford/St. Martin's, 2010), p. 306.]

¹⁵ 'Bayan al-Shaykh Jabir al-Ahmad al-Jabir al-Sabah, wali al-'ahd wa-ra'is majlis al-wuzara' al-Kuwayti hawla ba'd al-qadaya' ('Statement by Heir Apparent and Prime Minister Shaikh Jaber al-Sabah of Kuwait on some issues') (Kuwait, 24 June 1970) in *al-Siyasah* (25 June 1970), compiled in Jurj Khuri Nasrallah (ed.), *al-Watha'iq al-Filastiniyah al-'Arabiyah li-'am 1970* (Beirut: Mu'assasat al-Dirasat al-Filastiniyah, 1972), p. 492. English translation is available in Walid Khadduri (ed.), *International Documents on Palestine 1970* (Beirut: The Institute for Palestine Studies; Kuwait: The University of Kuwait, 1973), p. 852.

¹⁶ 'Mashuru' jawab majlis al-ummah al-Kuweiti 'an al-khitab al-Amiri' ('Reply by the National Assembly to the Amir's speech') in *al-Ra'y al-'Amm* (Kuwait, 12 April 1971), compiled in Jurj Khuri Nasrallah (ed.), *al-Watha'iq al-Filastiniyah al-'Arabiyah li-'am 1971* (Beirut: Mu'assasat al-Dirasat al-Filastiniyah, 1974), p. 289. English translation is available in Anne R. Zahlan (ed.), *International Documents on Palestine 1971* (Beirut: The Institute for Palestine Studies; Kuwait: The University of Kuwait, 1974), p. 437.

restoration of Palestinian rights over the recovery of Egyptian, Syrian, and Jordanian territories. In July 1970, Foreign Minister Sabah stated that the problem of the territories occupied by Israel in the 1967 war was a matter of concern for the countries involved and not a major concern for Kuwait.¹⁷ In addition, in December 1970, the Crown Prince stated that '[t]his [Kuwait's] policy is to reject all solutions of the Palestine problem which do not satisfy the Palestinian people. This policy also involves our supporting of [a] Palestinian armed struggle with all the means at our disposal'.¹⁸ Therefore, Kuwait's government placed more emphasis on supporting the Palestinian struggle than on the territorial issues of other countries, and it even declared the possibility of the mobilization of 'all the means at our disposal', which invoked the image of the use of oil as a weapon for the sake of the Palestinians.

The policy to prioritise the Palestinian cause materialized when the political violence in Jordan—known as 'Black September'—broke out in 1970. As King Hussein of Jordan suppressed the Palestinian commandos in his country, the PLO branch in Kuwait called for a general strike in order to pressure Kuwait's government to halt its financial aid to Jordan.¹⁹ In response to this demand, Amir Sabah al-Salim ordered the suspension of aid to Jordan, explaining in October 1970 that 'Palestinian commando action will receive our full support, as being the vanguard of the Arab struggle against the Israeli enemy. [...] In view of the continued conflict, it [the Kuwait government] was obliged to suspend the financial aid', and the National Assembly agreed with this decision.²⁰ To sum, for Kuwait, supporting the Palestinians was more important than defending one of the governments that surrounded Israel, and this is partly attributable to the consideration of the Palestinians in Kuwait.

Meanwhile, Kuwait's government began refraining from expanding its oil production from as early as 1972 owing to economic concerns. First, oil prices began to rise from 1970, and the increasing surplus revenue could not be absorbed by Kuwait's small economy. Second, the declining value of the US dollar and UK pound, which

¹⁷ 'Arab/Israeli Dispute' (Kuwait, 29 July 1970) in Anita Burdett (ed.), *Records of Kuwait 1966–1971*, Vol. V: 1970 (UK: Archive Editions, 2003), p. 148.

¹⁸ 'Speech by Crown Prince and Prime Minister al-Sabah of Kuwait at the Closing Session of the National Assembly on His Country's Position Towards the Palestinian Resistance and the Conflict in Jordan' (Kuwait, 30 December 1970) in Khadduri, *International Documents 1970*, p. 1012.

¹⁹ From Goodison (FCO Arabian Department), 19 September 1970, in Burdett, *Records of Kuwait 1970*, p. 165.

²⁰ 'Text of the Reply by the Kuwait National Assembly to the Amiri Speech' (Kuwait, 8 December 1970) in Khadduri, *International Documents 1970*, pp. 980–981, 1002–1003.

were both used in oil payments, made it less attractive to increase the level of oil production.²¹ Finally, but most importantly, the Kuwaiti government expressed grave concerns over its oil reserves from the end of 1971. The result of an ‘independent investigation’ of Kuwait’s oil reserves, which was conducted between late 1971 and early 1972, estimated that Kuwait retained approximately 35 billion barrels of oil, much less than the 88 billion previously projected.²² On the basis of this report, two members of the National Assembly alleged that Kuwaiti oil would be exhausted within the life expectancy of the present generation.²³ Owing to all these concerns, in February 1972, Oil Minister Atiqi decided not to permit Kuwait’s oil production from exceeding three million barrels per day.²⁴

From 1971, the Egyptian government began to show signs of preparation for a war, and the Kuwaiti government increased its interactions with Egypt. Keen to win back his country’s territorial losses to Israel in the previous war, Egyptian President Anwar Sadat announced in July 1971 that Egypt was no longer constrained by the armistice that ended the war of attrition with Israel in August 1970 and declared that 1971 would be the year of the war.²⁵ Although a war did not actually break out in 1971, it became clear that the Egyptian leadership was preparing itself for a conflict in the near future.

In response to Sadat’s signals, Kuwait began to express her willingness to use oil as a weapon in the coming war. In August 1972, the undersecretary of the foreign ministry of Kuwait was the first to express Kuwait’s policy on the use of oil in the conflict.²⁶ Nevertheless, a more important statement on this policy was expressed by Amir Sabah in October of the same year:

Kuwait has constantly drawn attention to the dangers of this situation [Israeli aggression] and to the need to mobilise Arab energies [*al-tāqāt al-‘Arabīyah*] within the framework of a unified plan which clearly defines both means and obligations, with the aim of liberating the occupied territory, and recovering the full rights of the Palestinian people.²⁷

²¹ Oil Minister Atiqi also stated that ‘if the weakness of the pound sterling continues[,] it could result in a decrease in production by the Kuwait Oil Company’. [*Middle East Economic Survey* (23 June 1972)].

²² Bretherton (Dept. of Trade and Industry) to the FCO, 6 April 1973, FCO 8/2003, NA, London.

²³ Taylor (Industry, Science & Energy Dept., FCO) to Wright (Middle East Dept., FCO), 25 July 1973, FCO 8/2004, NA, London.

²⁴ *Middle East Economic Survey* (25 February 1972).

²⁵ *New York Times* (24 July 1971).

²⁶ British Embassy in Kuwait to the FCO, 5 August 1972, FCO 8/1843, NA, London.

²⁷ ‘Al-khitab al-Amiri amama majlis al-ummah al-Kuwayti bi-munasabah iftitah dawr al-in‘iqad al-thalith lil-fasl al-tashri‘i

Although there was room interpreting the meaning of ‘Arab energies’ (*al-tāqāt al-‘Arabīyah*), this was the first statement made by a top Kuwaiti government official indicating the use of Arab oil against Israel and its supporters. It was more meaningful than the statement made by the Crown Prince in June 1970, which only referred to an ‘Arab attitude’ (*mawqif ‘Arabī*) against the countries supporting Israel. Apart from this statement, Oil Minister Atiqi assumed a rather discreet position on the issue, announcing that Kuwait should ‘avoid exposing oil to political adventures’ and thus revealing his misgivings about using oil as a political tool.²⁸ One conservative Kuwaiti newspaper, *al-Ra’y al-‘Amm*, criticised his position and called for the use of the oil weapon.²⁹

Further indications of a war between Egypt and Israel were revealed in Sadat’s address to the Egyptian People’s Assembly in December 1972, where he stated again that the war might come suddenly.³⁰ Kuwait’s National Assembly responded to Sadat’s address by adopting the following resolution in January 1973, which urged the government to use oil as a weapon as soon as a war broke out between Egypt and Israel:

The Israeli enemy and world Zionism are confident of the support of the great powers in their constant aggression against the Arab countries and their odious violation of the rights of the people of Palestine who are struggling for their freedom and their right to self-determination. [...] and that oil would inevitably be used in the battle if they continued to make light of Arab rights and to provide unlimited support to Israeli-Zionist aggression. [...] [W]e propose that the government should unambiguously recommend that as soon as the fighting breaks out, if not before, all our oil resources be immediately brought into the battle, by suspending our links with the Western oil countries.³¹

al-thalith’ (‘Speech by the Amir of Kuwait to the Kuwaiti National Assembly on the occasion of the opening of the third session’) (Kuwait, 24 October 1972) in *al-Ra’y al-‘Amm* (25 October 1972), compiled in Jurj Khuri Nasrallah (ed.), *al-Watha’iq al-Filastiniyah al-‘Arabiyah li-‘am 1972* (Beirut: Mu’assasat al-Dirasat al-Filastiniyah, 1975), pp. 454–455. English translation is available in Anne R. Zahlan (ed.), *International Documents on Palestine 1972* (Beirut: The Institute for Palestine Studies; Kuwait: The University of Kuwait, 1975), pp. 368–369.

²⁸ Courcy-Ireland (Kuwait) to the FCO, 11 October 1972, FCO 8/1843, NA, London.

²⁹ *Al-Ra’y al-‘Amm* (5 November 1972).

³⁰ *The Egyptian Gazette* (29 December 1972).

³¹ ‘Resolution of the Kuwaiti National Assembly calling for preparations for the use of oil as a weapon against Israel’ (Kuwait, 6 January 1973) in Nielsen, *International Documents 1973*, p. 403.

Despite this rather emphatic statement, it was unclear how oil would be used in the war, but the oil embargo employed in the 1967 War was the most probable model.³² In response to this hard-line stance of the National Assembly, one of the leading Egyptian papers applauded it by stating that '[i]t was a correct decision which we badly need and have long waited for to give our battle with Israel a push'.³³ This resolution was one of the most distinct official statements made by the Gulf Arab monarchies at this stage, urging the use of natural resources as a political tool.

Kuwait's political elite also incorporated the phrase 'oil as a weapon' in their statements the following months. In February, Crown Prince Jaber stated that 'Kuwait would not hesitate to use its oil resources as a weapon'.³⁴ In March, the Amir also expressed this view, stating that 'when the hour comes, we will use our oil as a weapon against Israel. That is our irrevocable position'.³⁵ It is highly probable, therefore, that the National Assembly's resolution influenced the Kuwaiti leaders' statements.

At the same time, events transpired that reduced Kuwait's ability to support the Palestinian cause. After the United Kingdom announced its withdrawal from the Gulf in 1968, Iraqi troops advanced a few miles into Kuwait's northern territory in April 1969.³⁶ Iraq further demanded that Kuwait vest its tiny island territories along the coastal border it shared with Iraq to ensure a safe waterway from the Umm Qasr navy port to the Gulf, but Kuwait refused.³⁷ The Iraqi army then attacked and occupied Kuwait's al-Samitah police post, located in northern Kuwait and close to the Kuwait-Iraq border, on 21 March 1973.³⁸ In response to the Iraqi occupation, Egypt, Syria, the PLO, and Arab League tried to mediate the dispute, but to no avail. When the Soviet Union advised Iraq to settle the border issue with Kuwait peacefully, Iraqi troops withdrew from the al-Samitah post on 5 April and the Kuwaiti army resumed its position on 26 April.³⁹

The incident temporarily re-established national security as the top priority in Kuwait's foreign policy, albeit it was only a two-week occupation of a small police post.

³² In June 1967, during the war, Saudi Arabia, Kuwait, Iraq, Libya, and Algeria imposed an oil embargo against the United States, the United Kingdom, and West Germany, which lasted approximately three months. [Daniel Yergin, *The Prize: The Epic Quest for Oil, Money, and Power* (New York: Simon & Schuster, 1991), pp. 555–558.]

³³ *Al-Gumhuriyah* (Cairo, 8 January 1973), cited in *The Daily Star* (Beirut, 9 January 1973).

³⁴ Chookiat Panaspornprasit, *US-Kuwaiti Relations 1961-1992* (London: Routledge, 2005), p. 60.

³⁵ Jeffrey Robinson, *Yamani: The Inside Story* (New York: Atlantic Monthly Press, 1989), p. 77.

³⁶ Richard Schofield, *Kuwait and Iraq: Historical Claims and Territorial Disputes* (London: Royal Institute of International Affairs, 1991), pp. 115–116. The Kuwaiti Defense Minister Sa'd tacitly acquiesced it.

³⁷ *Ibid.*, p. 117.

³⁸ Aryeh Shmuelevitz, 'Stability and Tension,' in Itamar Rabinovich and Haim Shaked (eds.), *From June to October: The Middle East between 1967 and 1973* (New Brunswick, N.J.: Transaction Books, 1978), p. 363.

³⁹ Schofield, *Kuwait and Iraq*, p. 118; *The Daily Star* (27 April 1973).

In May 1973, Kuwait decided to buy Phantom fighters from the United States for its own defence, and Foreign Minister Sabah visited Lebanon, Syria, and the United Arab Emirates to ask the leaders of these countries to support Kuwait's territorial integrity.⁴⁰ In July, the National Assembly also set the defence-spending budget, and Defence Minister Sa'd announced the modernization of Kuwait's military.⁴¹ The main goal of Kuwait's foreign policy after this incident shifted, however briefly, to the strengthening of both its military capacity and its territorial integrity through diplomatic efforts.

Although final status talks over the disputed territory had not been completed between Kuwait and Iraq, Kuwait's anti-Israeli diplomacy was gradually reinvigorated after the Iraqi withdrawal. Members of the National Assembly submitted a proposal requesting that the Assembly issue a statement condemning an Israeli raid on the PLO in Lebanon on 10 April.⁴² On 15 May 1973, Israel's 25th anniversary of its declaration of independence, Kuwait symbolically halted its oil production for one hour together with Libya and Algeria.⁴³ The border dispute appeared to have alarmed the Kuwaiti government, but it still maintained its confrontational attitude towards Israel.

While Kuwait's National Assembly and political elite had already publicly expressed their willingness to use oil as a weapon against the United States in as early as January 1973, Saudi Arabia had still not publicly expressed a similar willingness. Although Saudi Oil Minister Ahmed Zaki Yamani had cautioned the United States to alter its pro-Israel policy in April 1973, Saudi Arabia had not publicly referred to the 'oil weapon' until September 1973—after the United States vetoed the UN Security Council's resolution urging Israel to stop building settlements in the occupied lands.⁴⁴ In this context, Kuwait's Amir visited Saudi Arabia from 28 April to 2 May and held talks with King Faisal, and the King confessed his difficult position to Frank Jungers, President of Aramco, on 3 May, immediately after the Amir's visit. According to Jungers' shorthand notes, '[h]e [King Faisal] went to great lengths to explain his predicament in [the] Middle East as [a] staunch friend of [the] U.S.A. [...]. He

⁴⁰ *The Daily Star* (27, 29 May and 6, 11 June 1973).

⁴¹ *The Daily Star* (4, 5 July 1973).

⁴² The National Assembly (Kuwait), *Madbatah al-jalsah al-thaniyah 'asharah, dawr al-in'iqad al-'adi al-thalith, al-fasl al-tashri'i al-thalith* (Minutes of the twelfth meeting, third session, third term), 10 April 1973, p. 2.

⁴³ David Holden, *The House of Saud: The Rise and Rule of the Most Powerful Dynasty in the Arab World* (New York: Holt, Rinehart, and Winston, 1982) p. 329.

⁴⁴ Fuad Itayim, 'Arab Oil - The Political Dimension', *Journal of Palestine Studies*, 3 (Winter 1974), p. 86; Sheikh, *Saudi Arabia and Oil Diplomacy*, p. 108.

emphasised [that] he was not able to stand alone much longer'.⁴⁵ Hence, there was a possibility that the Amir's visit somewhat affected King Faisal such that he recognised his 'predicament' in the Middle East.

In the midst of preparing the surprise attack on Israel, President Sadat flew to Riyadh and met with King Faisal on 23 August 1973. The President told the King that Egypt would soon begin a war with Israel, and at this stage, the King promised the use of oil as a weapon in the war.⁴⁶ The Amir of Kuwait also met with King Faisal on 1 September and with President Sadat on 3 September. At the latter meeting, similar to King Faisal's promise, the Amir made an agreement with the President to use oil as a weapon in the war and to financially support the Egyptian war budget.⁴⁷ Kuwait's defence minister reaffirmed this position in late September, declaring that Kuwait would be in the first group of states to use the oil weapon in support of Egypt.⁴⁸

Meanwhile, Kuwait attended Arab and non-alignment conferences, which contributed towards strengthening the Arab states' stance towards Israel. The OAPEC Ministerial Conference was held in Syria in June 1973 and another followed in Kuwait on 4 September; the agenda of both these meetings was 'the use of oil in the next war'.⁴⁹ The Non-Alignment Summit in Algeria from 5–10 September also held an important meaning for Arab countries, since the countries attending this summit adopted a recommendation to support the Arab countries in their attempt to bring about Israel's withdrawal from the territories occupied in 1967.⁵⁰ Many African 'non-aligned' countries even cut their diplomatic ties with Israel, thus encouraging the Arab stance against Israel.

Behind these diplomatic efforts, the momentum to reduce oil production became stronger in Kuwait. Production was reduced in April 1973, and Oil Minister Atiqi reiterated that oil production should not exceed three million barrels per day in June.⁵¹ Some members of the National Assembly were dissatisfied with this figure and insisted on two million barrels per day.⁵² Thus, the Kuwaiti policy to reduce its oil production

⁴⁵ Robinson, *Yamani*, p. 88.

⁴⁶ Yergin, *Prize*, p. 597.

⁴⁷ Holden, *The House of Saud*, p. 334.

⁴⁸ *Al-Ra'i al-'Amm* (21 September 1973).

⁴⁹ Cairo Radio quoted in *The Daily Star* (24 August 1973).

⁵⁰ George Lenczowski, *Middle East Oil in a Revolutionary Age* (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1976), p. 12–13.

⁵¹ *The Guardian* (7 April 1973); *The Daily Star* (19 June 1973).

⁵² Beale (Kuwait) to the FCO, 7 July 1973, FCO 8/2004, NA, London.

had begun even prior to the outbreak of the October War, thereby placing its commitment to cut production during the war in line with the policy it intended to implement.

WAR AND THE ARAB OIL WEAPON

On 6 October 1973, Egyptian troops launched a surprise attack against the Israeli army in the Sinai Peninsula, and Syria led a simultaneous attack in the Golan Heights. The October War had commenced. Kuwait immediately decided to support Egypt and Syria through military and economic means. Partly because it felt no threat from Iraq during the war, Kuwait's government sent troops, including artillery, to the Syrian front on 9 October, and at the urging of the National Assembly, sent artillery to the Egyptian front.⁵³ Meanwhile, Defence Minister Sa'd met with President Sadat, and Kuwait's government decided to grant aid of \$350 million to Egypt and Syria. It also resumed its aid to Jordan on 16 October.⁵⁴

There was a strong domestic reaction in Kuwait to the war. Both the National Assembly and segments of the public strongly urged their leaders to support Egypt and Syria during the war. One member of the National Assembly expressed his support for Egypt and Syria on behalf of the National Assembly on 8 October.⁵⁵ Workers in the Kuwaiti oil sector called for an oil embargo against all the states that supported Israel, and if the war situation deteriorated, they pledged to destroy their own oil facilities in order to stop the oil flow to Western countries.⁵⁶ This action was not conducted, but instead, the workers embarked on a three-day strike from 23 October.⁵⁷

In this security and domestic situation, Kuwait's leaders had the political impetus to adopt a hard line against Israel and its supporters during and after the war. Kuwait sought to forge a common Arab oil policy, with Oil Minister Atiqi contacting the oil ministers of other OPEC countries via telephone as soon as the war commenced.⁵⁸ Following this, Atiqi and some other Arab oil ministers travelled to Vienna to attend the previously scheduled 8 October meeting between OPEC and oil companies over the

⁵³ *Al-Qabas* (14 October 1973).

⁵⁴ *The Daily Star* (18 October 1973).

⁵⁵ *The Daily Star* (9 October 1973).

⁵⁶ *The Daily Star* (13 October 1973).

⁵⁷ *The Daily Star* (23, 24 October 1973).

⁵⁸ Naila al-Sowayel, *An Historical Analysis of Saudi Arabia's Foreign Policy in Time of Crisis: The October War and the Arab Oil Embargo*, Ph.D. dissertation (Washington, D.C.: Georgetown University, 1990), pp. 110–111.

price of oil. Meanwhile, Crown Prince Jaber convened an emergency Cabinet meeting and decided to call an OAPEC emergency meeting in order to discuss ‘the role of oil in light of current developments’.⁵⁹ The Cabinet also gave Atiqi the freedom to decide the time and place of the meeting. Atiqi collaborated with other oil ministers on Jaber’s proposal in Vienna and announced that the OAPEC emergency meeting would be held on 16 and 17 October in Kuwait.⁶⁰ On 14 October, the oil ministers learned that the United States was transporting arms to Israel, which heightened their anger, and they travelled from Vienna to Kuwait on 15 October.⁶¹

Arab oil ministers convened an OAPEC emergency meeting in Kuwait on 16 October, and the Egyptian oil minister issued an initial statement that ‘a decision to implement a complete cutback [of oil production], or nationalization[,] might give the other parties [Western powers] a cause to freeze Arab financial assets’.⁶² The Iraqi delegation was dissatisfied with this proposal and called for the total nationalization of American oil companies in the Arab world. This assertion, however, was not accepted by the other delegates and the Iraqi delegation subsequently walked out of the meeting.⁶³ Other parties such as Abu Dhabi insisted that different measures be taken based on the oil-consuming countries’ degrees of ‘pro-Arab’ attitude. Concluding these discussions, Arab oil ministers, excluding those from Iraq, adopted the following resolution:

[The OAPEC oil ministers] *Considering* that the direct goal of the current battle is the liberation of the Arab territories occupied in the June 1967 war and the recovery of the legitimate rights of the Palestinian people in accordance with the United Nations resolutions; *Considering* that the United States is the principal and foremost source of Israeli power [...]; *Considering* that the economic situation of many Arab oil producing countries does not justify raising oil production [...] *Decided* that each Arab oil exporting country immediately cuts its oil production by a recurrent monthly rate of no less than 5% to be initially counted on the virtual production of September, and thenceforth on the last production figure until such a

⁵⁹ M.S. Daoudi and M.S. Dajani, *Economic Diplomacy: Embargo Leverage and World Politics* (Boulder, CO.: Westview Press, 1985), p. 137.

⁶⁰ *The Daily Star* (14 October 1973).

⁶¹ Yergin, *Prize*, p. 587.

⁶² Al-Sowayegh, *Arab Petropolitics*, p. 127.

⁶³ Robinson, *Yamani*, p. 93.

time as the international community compels Israel to relinquish our occupied territories [...] The participants also recommend that this progressive reduction leads to the total halt of oil supplies to the United States from every individual country party to the resolution.⁶⁴

The preamble of this resolution was along the lines of the objectives that Kuwait had previously proposed: the Amir of Kuwait's insistence in October 1972 of the liberation of the Arab territories occupied in the 1967 war and recovery of Palestinian rights. Apart from the political stance, the main body of the resolution demanded that the member states reduce their oil production by 5% every month; this suited Kuwait's economic situation because Kuwait wanted to reduce oil production in order to retain future oil reserves and avoid handling an abundant oil income. Therefore, an oil-production cut policy was also advantageous to Kuwait's economy.

Although Abu Dhabi imposed an oil embargo immediately after the adoption of this resolution, other Arab countries, including Kuwait, hesitated on imposing the embargo at this point; the US arms airlift to Israel on 14 October was still not reason enough for them.⁶⁵ On 19 October, however, US President Richard Nixon demanded that Congress offer \$2.2 billion of urgent financial aid to Israel, thus triggering the implementation of the embargo by the other Arab states. Saudi Arabia invoked the embargo on 20 October; Kuwait did so the following day, with Kuwait's Cabinet releasing the following statement:

[T]he Council of Ministers [the Cabinet] has decided as follows: 1. Exports of crude oil and products to the United States shall be halted. 2. An immediate 10 percent cut in production shall begin forthwith [...] 3. It shall be left to the Minister of Finance and Oil and the Minister of Foreign Affairs to determine the countries which are in league with Israel so that they will be subjected to the embargo on oil exports.⁶⁶

Even though Kuwait declared a 10% oil production cut here, it had already reduced its

⁶⁴ 'Resolution by Arab Oil Ministers' in Nielsen, *International Documents 1973*, pp. 487–488.

⁶⁵ Daoudi and Dajani, *Economic Diplomacy*, p. 138.

⁶⁶ 'Statement issued by the government of Kuwait announcing a total oil embargo against the US and any other country supporting Israel' (Kuwait, 21 October 1973) in Nielsen, *International Documents 1973*, p. 491.

production by more than 25% by the beginning of November, while Saudi Arabia, Qatar, and Algeria reduced their production by the agreed 10% in the same period. Iraq, despite all of its bellicosity, actually increased its oil production.⁶⁷ Hence, by the beginning of November, OAPEC countries reduced their oil production by more than what the 17 October OAPEC meeting resolution initially expected, owing to increased US support for Israel.

The Israeli counterattack had been extremely successful after the tenth day of the war, and the Egyptian army was on the brink of collapse; the Egyptian Third Army was in danger of being attacked from behind by the Israeli army. In light of this development, the USSR finally tried to impose a ceasefire with the hope of saving the Egyptian army. Moreover, the UN Security Council Resolution 338, signed on 22 October 1973, was passed, demanding an immediate ceasefire between the two sides. Both Israel and Egypt accepted it, and major fighting between the two states stopped.

The ceasefire between Egypt and Israel did not, however, end the oil embargo. Instead, the embargo became harsher because the final status of Palestinian rights and the Arab lands captured by Israel in 1967, whose recoveries were loudly demanded by Arab oil producers, were still subject to further developments. Kuwait's government released a statement on 23 October, stating that 'the application of unified Arab economic measures is an important factor that should continue and grow until the objectives at which those measures are directed are achieved'.⁶⁸ Furthermore, Kuwait imposed an oil embargo against the Netherlands on the same day, with Abu Dhabi, Qatar, Oman, Libya, and Saudi Arabia following suit. The Dutch government refused to condemn the Israeli aggression during the 1967 war, and its defence minister participated in a demonstration supporting Israel, evidently showing that the Dutch Cabinet took Israel's side in the conflict.⁶⁹ In this way, the UN Security Council's Resolution 338 did not soften the oil policies of Kuwait and other Arab countries, but rather had the opposite effect.

In the short term, the rhetoric continued to escalate. On 31 October, Oil Minister Atiqi announced that 'Kuwait and several other Arab oil states will "study adopting new

⁶⁷ Daoudi and Dajani, *Economic Diplomacy*, p. 139.

⁶⁸ 'Statement issued by the government of Kuwait rejecting UN ceasefire resolution and urging continued Arab oil measures' (Kuwait, 23 October 1973) in Nielsen, *International Documents 1973*, p. 496.

⁶⁹ Duco Hellema, Cees Wiebes, Toby Witte, translated by Murray Pearson, *The Netherlands and the Oil Crisis: Business as Usual* (Amsterdam: Amsterdam University Press, 2004), p. 39.

measures” against countries that support Israel’ and called for another OAPEC meeting.⁷⁰ In response to this announcement, oil ministers from OAPEC member countries once again assembled in Kuwait on 4–5 November and announced the following decision:

[T]he reduction in oil production in each Arab country [...] shall be 25 percent of the September production, including quantities deducted as a result of the embargo on oil supplies to the US and the Dutch market. A further reduction amounting to 5 percent of the November output will follow in December.⁷¹

As a result of this decision, the OAPEC states (excluding Iraq) reduced their oil production in varied amounts, ranging from 18% to 30% (Table I). This was an unprecedented, severe implementation of the Arab oil policy.

Table I. Oil Production Cut by OAPEC States (thousand barrels per day)⁷²

	Oil production (September 1973)	Oil production (November 1973)	Reduction rate (%)
Saudi Arabia	8,570	6,268	27
Kuwait	3,526	2,470	30
Libya	2,286	1,766	23
Iraq	2,112	2,148	-2
UAE	1,671	1,308	22
Algeria	1,100	900	18
Qatar	609	474	22
Total	19,874	15,333	23

CONCLUSION

The OAPEC countries raised the level of oil production to normal levels from December 1973 to January 1974, largely because the tension between the Arab

⁷⁰ *The Daily Star* (1 November 1973).

⁷¹ ‘Communiqué issued after a meeting of Arab Oil Ministers announcing a reduction of 25 percent in oil production’ (Kuwait, 5 November 1973) in Nielsen, *International Documents 1973*, p. 508.

⁷² Ian Seymour, *OPEC: An Instrument of Change* (London: Macmillan Press, 1980), p. 120.

countries and Western Europe and Japan—two major importers of Arab oil—were alleviated.⁷³ They then lifted the oil embargo against the United States on 18 March 1974 in response to the Israeli troops' withdrawal from the west of the Suez Canal on 5 March 1974, even though the initial purpose of Kuwait and the other Arab oil-producers' embargo remained unfulfilled. The pressure from both the United States and Egypt to lift the embargo became stronger, and the embargo itself became less effective since oil production by non-Arab states increased. In response to the disengagement between Israel and Syria, the embargo against the Netherlands was lifted on 1 June 1974.

In previous studies, Saudi Arabia has been allotted the role of primary actor in the formulation and implementation of the oil embargo of 1973. It is true that if Saudi Arabia had not consented to the oil embargo, it would have been far less effective, but the other Arab oil-producing countries collectively accounted for a meaningful share of the Arab world's oil production; therefore, the attitudes of the other Arab countries could have played an instrumental role in formulating these policies. More specifically, from archival records, it appears that Kuwait did indeed play a major role in shaping the common oil policy before, during, and after the war.

Kuwait contributed to the formulation of common Arab oil policies in the following ways. Kuwaiti officials and the National Assembly furthered the anti-Israel sentiment in the Arab world by condemning the Israeli violation of Palestinian rights and occupation of Arab lands well before the October War. In June and December 1970, the Crown Prince of Kuwait had already used rhetoric conjuring the image of an oil weapon that could be used against the United States, and this was much earlier than Saudi Oil Minister Yamani's warning in April 1973. As soon as the war broke out, Kuwait organised the emergency meetings and became the principal country to assemble oil ministers and adopt anti-US resolutions. While Kuwait's diplomacy has been described as 'reactive' by Abdul-Reda Assiri, this study demonstrates that it was actually more 'proactive' than he allows for.

There were two important conditions for Kuwait to assume such a proactive role in Arab politics. The first one is security. Iraq was not an urgent threat during the period of the October War; this meant that Kuwait could further expand its diplomatic latitude

⁷³ *Middle East Economic Digest* (18, 22 February 1974).

towards coordinating common Arab oil policies. The second condition was its economic interests. The price of oil had been rising from 1970, and the Kuwaiti government could easily reduce oil production without decreasing the country's oil revenue. In addition, Kuwait had faced serious uneasiness over its future as an oil powerhouse since the 'independent investigation' at the end of 1971 significantly downsized its estimated reserves. Therefore, both security and economic conditions favoured Kuwait's proactive diplomacy.

Further, there existed additional factors that would have been advantageous for Kuwait if it joined the other Arab countries. First, Kuwait had increased financial aid to Egypt and Syria after the 1967 war, which gave it substantial influence over these countries. Second, Kuwait's political character contributed to its role as an organiser of Arab meetings. Its political system of a monarchy was similar to that of Saudi Arabia and the other emirates in the Gulf, thus promoting meetings among them during the early 1970s. On the other hand, Kuwait's foreign policy was often similar to that of the progressive camp of Arab states such as Iraq, Libya, and Algeria, which could be seen in the case of the temporary halt of oil flow on Israel's Independence Day anniversary. These two dimensions of Kuwait's political character greatly contributed to her becoming a coordinator of inter-Arab politics.

In addition, there was a substantial driving force within the state in the form of the National Assembly, which was the only functioning parliament in the Gulf Arab monarchies in the early 1970s. During the period to which this article refers, it always bluntly expressed many ideas well before the Kuwaiti elite's statements were issued—blaming the United States in April 1971 and referring to the oil weapon in January 1973. These outspoken demands, many of which also reflected the broader public opinion expressed by the mass media, which enjoyed one of the greatest freedoms in the Arab world, could not help but affect the Kuwaiti elite's foreign policymaking. In addition, the large Palestinian community in Kuwait also engendered a pro-Palestine atmosphere in the country. Considering this domestic situation, it would have even been dangerous for the regime not to assume a hard-line oil policy towards pro-Israel countries.

In this way, Kuwait constituted an important part of the process of formulating common Arab oil policies in the early 1970s. While Saudi Arabia's oil policies were

explained by Tim Niblock and other authors as largely influenced by the agreement with President Sadat, Kuwait's decisions were rather motivated by the pressure from public opinion bound together with the Palestinian and Arab cause. This is why Kuwait's elite insisted on the need to publicly confront the countries that supported Israel even before Egypt announced its desire to commence a war in July 1971. Saudi Arabia's close relationship with the United States gave the former a reason to think twice before deploying the oil weapon at an earlier stage, whereas Kuwait did not really have this constraint, which may indicate its lack of hesitation. Thus, the Arab oil policy in 1973 was not simply the result of an agreement between Egypt and Saudi Arabia, but was in large part propelled by Kuwait's diplomacy.

About the Author

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