

IU International has reportedly tried to find a Saudi buyer for its shipping arm, Gattas-Larsen.

The Vlasov-Pharaoh tied-up has resulted in two tankers and two cargo ships operating under the banner of the Arabian Maritime Transport Company, whose chairman, Dr. Ghaith Pharaoh, says that additional new oil tankers will be bought from Japanese and European shipping yards. At the same time Shaikh Fahd Muhammad Alireza, president of the Saudi Reza Investment Institution, has teamed up Manchester Liners of the United Kingdom in a joint shipping company, Marine Transport International, which has engaged 76 per cent of its transport operations in shipping oil to European capitals.

But the biggest boost to the Saudi shipping prospects has come with the deal between the Saudi Adnan Khashoggi's Triad Group and two Finnish lines and a Finnish shipyard to establish a joint dry-cargo-line and investigate ways of developing a Saudi shipping industry.

On the initiative of the Saudi government, four Persian Gulf countries have joined to form the United Arab Shipping Corporation, with a capital of \$600 million, which aims to have a fleet of 150 ships by 1985.

New Tankers For New Pipelines and Terminals

In a closely related development, the Arab oil producers have announced intentions to construct new

pipelines for the transportation of oil to new terminals, which will require investments to the tanker industry for the construction of modern tankers. According to a report published by the Terminal Operators, the independent shipping consulting arm of the British Eggar Forrester group, the recent actions of the Arab countries and the agreements they have reached among themselves make clear that the Arabs are moving in a direction that will lead to the scrapping of the fleets of the oil majors: they will demand that new tankers capable of carrying double the amount of tons be brought into the new terminals which will be ready to go into operation in the next two years. However, the same source notes, "the major oil companies with their vast investments in large tankers are preferring to rely on long sea movements over which, as regards both oil and ships, they can always retain control" and are doing everything in their power to prevent the adoption of new methods for the transportation of oil.

However, such opposition to the Arab plans will not last for long says the Terminal Operators report. Under the "New Arab Plans" the demand for the old tankers will be reduced and only the "Arab Capital" will be able, with the cooperation of the European and Japanese tanker industry, to provide quick transportation of oil to European capitals.

Yamani: 'U.S. is Principally Interested in Raising the Price of Oil'

The following excerpted interview with Sheikh Ahmed Zaki Yamani was given Dec. 14, 1977 when it was printed in the Lebanese magazine Events.

Q: Which countries are interested in destroying this weapon (oil — ed.) or taking it over from us?

Yamani: The industrialised countries in general. More specifically, the United States. It is the country that is promoting the campaign against the Arab weapon.

Q: But there are those who say that Saudi Arabia is in collusion with the U.S. regarding oil prices, in opposition to countries such as Iran. Why be in league with the U.S. which is conspiring against our oil?

Yamani: This is nothing but street talk, all this talk about the U.S. wanting to decrease the price of oil, with Saudi Arabia in collusion. This is just laughable. The United States is principally interested now in raising the price of oil. This is for many reasons — the most important of which is that the U.S. gains economically every

time the price of oil is increased. It leads to more demand for dollars, which in turn improves the balance of payments. This is a simple and basic economic rule.

Furthermore, the U.S. established the International Energy Agency, and the principle of a rock bottom price for oil. This means that if the price of oil should fall below a certain level, the consumer countries will impose big enough taxes on it to guarantee continued investment in searching for an alternative energy source, whether nuclear, coal or solar power. They will always guarantee that they do not face any stiff competition from the cheaper source — oil. Through such methods, the consumer countries encourage research into non-oil sources of energy.

The real interest for the U.S. is in higher oil prices. I do not recall that Dr. Henry Kissinger ever raised the subject of oil prices with us, although he talks to us frequently. These are well known facts. Their whole interest is in raising the price of oil. This is a political decision in the first instance, then an economic one.