

→ Energy (Pt 3) 'Oil Prices' theory

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Extract from PMS Meeting with King Hussein ²³ 24 January 1980

at No. 10 1630 hours

Subject copy filed on Jordan (June 1979) 'Visits to London
by King Hussein'

Oil

King Hussein said that another very serious problem in the area, which was of course connected with the situation in Iran, was that of the uncertainty in the oil market and the instability of oil prices. The Iranian crisis had driven up prices and he was now concerned about the consequences if the Soviet Union entered the oil market in a more substantial way. The Prime Minister agreed about the need for greater stability in oil prices. At present there was, in fact, a surplus in oil production. But purchases of oil for stock-piling purposes was driving up the price. If

Iran were to break up, it might be impossible to re-establish stability in the oil market in the foreseeable future. The Foreign and Commonwealth Secretary commented that he was ^{not} convinced that a number of oil producing states would ^{not} limit production if it became apparent later this year that there was a surplus.

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