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PHD THESIS

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SAUDI ARABIA AND THE ATLANTIC POWERS
DURING THE REIGN OF SAUD I AND SAUD II
1950-1958

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I. Justification of the subject of choice, aim of research, methodology

My basic intention was to introduce the first few years of the reign of Saud II, especially his foreign policy, in which he tried to make Saudi Arabia a regional power. Although nowadays it is customary to portray Saud II as a completely incapable and dense ruler, in truth the political and economic power of today's Saudi Arabia originates from the first period of his reign. He was the one who tried to circumvent the great American oil company Aramco in order to ensure his country higher revenues. Obviously he did not do this just for the sake of his country or its development, but more so because he considered Saudi Arabia as his private property, and the stronger and wealthier Saudi Arabia got the stronger ruler he saw himself. Saud II was not perfect and he could not react properly and fast enough to some change in global politics, this is true. However, the generally accepted view of him in literature – which depicted him as an unprepared and foolhardy king –, is simply not correct. Even though it is a fact that Saud II was not as good a politician as his father Ibn Saud or his brother Faisal were. In this paper I would like to present the reign of Saud II objectively, introducing both the negative and positive aspects of his rule.

In this dissertation I would like to give answers to the following questions. a.) What is the reason that Saud II is widely considered as an untalented and unprepared ruler in Western literature b.) was he really one c.) how he tried to make his country a regional power and what measures did he take to ensure that d.) why did the relationship deteriorate between Saudi Arabia and Great Britain after 1950 e.) what was the relation like between the Desert Kingdom and the United States of America in the first period of the rule of Saud II f.) what was the role of Saudi Arabia in the Middle East after the invigoration of Arab Nationalism.

The choice of subject is justified by two reasons. The first is that when I started researching Saud II, I have found few materials in regard to monographies and papers. This was odd for me, and I thought if nothing else than at least the Saudi history during the Suez Crisis is well documented. With a little exaggeration, most works only examine the Crisis itself and most of the time Saudi Arabia only got mentioned in a few indirect instances. At the examined period most of the authors focused mostly on the strife between Saud II and Faisal. There are only few literatures that actually analyze the reign of Saud II in its completeness, so chiefly I had to use primary sources for my work. This leads to my second reason of choice. On the one hand, even in Western literature most of the examined documents were just partially examined, and on other hand virtually no one in Hungary has ever seen them before. This is especially

true for the British archival records. For this reason I am sure I can present not yet analyzed, new information in my dissertation.

Another novelty of the paper is that the records of the Hungarian National Archives concerning Saudi Arabia got charted, so Hungarian foreign affairs reports were used during the making of this dissertation, even though it focuses on the relationship between Saudi Arabia and the Western powers during the indicated time period. Although in the 1950s only a few Hungarian companies tried to make business in Saudi Arabia, it is still noticeable that there were exploratory talks by the Desert Kingdom towards Hungary through the Hungarian embassies in Damascus and Cairo, in order to make bilateral agreements. This is not only important for the investigation of the Hungarian-Saudi Relations, but also because in the Hungarian reports the Soviets' point of view is often present – at least in an indirect way – thus making introspection possible for Moscow's politics concerning the Desert Kingdom.

The dissertation is basically chronological, it presents the relationship between Saudi Arabia and the Atlantic Powers between 1950 and 1958 in detail, and also the change of internal proportions of Saudi Arabia from the death of Ibn Saud to the first take-over of Faisal. The main aim was to examine the key questions of the subject as thoroughly as possible.

II. Main sources of the Research

Two very important group of research sources must be mentioned, and also a third one which essentially serves as a supplement. A huge amount of documents about the foreign policy of the United States of America are available on the internet, thanks to the collection of the so-called *Foreign Relations of the United States* in which over a 100 years of documents related to several continents were digitalized, and consequently becoming available to everyone all around the world. Of course this does not mean at all that all the existing documents on Saudi Arabia have already been processed even on international level. This is particularly true for Hungary since not a single comprehensive work examining the foreign policy of Saudi Arabia has been published in the last few decades. For this reason, most of the sources in my dissertation has not been researched by anyone else yet. This is particularly the case with the research documents available at *The National Archives Public Records Office* in London. For the lack of digital documents, British records on the Middle East are only available at the spot for researchers. Most of the documents have never been analyzed before in Hungary by anyone. American and British archival records give the main body of the dissertation and are complemented by the secret files and administrative documents of the Hungarian National

Archives – where possible. The latter is very important in the sense that the views of Hungarian ambassadors' on certain events have not always been matching with its Western colleagues, and in some cases the Soviets' attitude towards some questions is well reflected. For this reason these resources should be considered as of high value, moreover, it is a less explored part of the Hungarian Foreign Affairs documents.

Research on secondary sources also requested thorough work. Essentially, Hungarian references on this subject are barely available, and as to international references, they only partly cover the researched topic.

III. The Structure of the Dissertation

The first chapter gives a general review of the history of Saudi Arabia – or more precisely the Arabian Peninsula – going back to the mid-18th century when Muhammad Abd al-Wahhab allied with Muhammad ibn Saud. I draft the history of the first Saudi realm from its foundation to its dissolution. This is followed by the presentation of the formation and the breaking-up of the second Saudi realm and after that I introduce the fights and actions of Abdulaziz ibn Saud from the early 20th century to the founding of Saudi Arabia. The last part of the chapter focuses on the reign of Ibn Saud between 1932 and 1950. The king's main challenge during this time was to ensure the integrity of his Kingdom and his line of succession so his country would not end up like the previous two Saudi realms.

The second part is about the beginning and growth of the American influence. It examines the first few oil drillings in or nearby the Arabian Peninsula – like Bahrain – from the 1920s.

Frank Holmes a mining engineer from New Zealand bought the concession rights of a few areas at the eastern part of the Arabian Peninsula with the aim to resell them to one of the rich oil companies. Although the Anglo-Persian Oil Company did not like the actions of Holmes, it did not want to buy the concessions from the entrepreneur and after a series of haggling without any results the company of Holmes was near bankruptcy. For this reason Holmes wanted to involve other companies in the oil business of the Arabian Peninsula and it was at this point when the big American oil companies got his attention. At first he did not have any luck in the United States of America, among other things the Standard Oil of New Jersey refused his offer on the concessions. Not much later, however, Gulf Oil bought the rights from the engineer. The company had financial problems so it needed new areas and the Arabian Peninsula was a potential gold mine: with little investment they could make a fortune if a huge amount of oil did exist under the region. Then again Gulf Oil had a share in the Turkish Oil

Company and signed the Red Line Agreement so it could not search for oil nor could drill. That is how the Standard Oil of California stepped in, since it was in its interest to buy the concession from the Gulf Oil. At first the British objected to the intrusion of another American oil company in the area but eventually they did not prohibit the Standard Oil of California from acquiring the concession. Thus more than one monumental oil-search expeditions started in the Arabian Peninsula where ultimately a huge amount of oil was found in 1938.

After the first few years of producing crude oil, the idea of enhancing the relationship between Saudi Arabia and the United States of America occurred to more and more American diplomats and they concluded that it would be advisable to make the connection of the two countries' inter-governmental. Although it did not happen until the end of the 1940s, still the relationship between Washington and Riyadh tightened during the last period of World War II. The main reason for this is the proposed construction of the air base at Dhahran. The original plan was that Dhahran would supply the Allied troops in the last period of World War II, but by the time the construction started on the base the war already ended. Not much later – as the tension of the Cold War grew – the role of the base was heightened. From that time on the main purpose was to ensure the safety of oil production, and also to restrain the Soviet Union with American presence. This is way the lease for the base was renewed over and over again during the indicated period.

The third chapter is about the relationship of Saudi Arabia with military defense organizations, the Soviet attempts to establish connection with Saudi Arabia.

At the very beginning of the 1950s Great Britain had a plan to form a military organization in the region (MEDO – Middle Eastern Defence Organization) for two reasons. The first was about his aim to make sure his interests were safe through military presence and the other was to keep the Soviet Union away from the region. The original intention was to make Egypt the basis of the proposed organization but by that time Cairo wanted to be as independent from the British as possible, so London's plan faced fierce resistance which – as time went by – gradually died off. Partially at the same time the Americans "Northern Tier" plan came out which had a similar aim as the British one, but for the countries of the Middle East it looked far less colonialist and threatening. Out of this thought the Bagdad Pact was born, but Egypt still could not be persuaded to cooperate. Although the Americans were not members of the Pact officially, nevertheless they supported it. This is the reason why Washington tried to draw in Saudi Arabia, but failed to do so.

In this same time period the Desert Kingdom tried to approach to Egypt, because Arab Nationalism put a growing pressure on the country. Not only foreign political assault afflicted

Saudi Arabia, but – through the workers of Aramco – internal tension also rose. By attempting to develop a good relationship with Egyptian President Nasser, Saud II tried to ease those tensions.

Also in the middle of the 1950s the Soviet Union had a plan to establish a diplomatic relationship with Saudi Arabia. Soviets knew how important the Kingdom was for the Americans and how valuable it is strategically. That is why they tried to weaken the American influence in the Arabian Peninsula, but they did not succeed. Albeit Saud II wanted to use the rumor of the Soviet expansion on the Peninsula in front of Eisenhower in order to ensure as much money and room for himself as possible, but in reality the king never wanted to establish a direct, permanent affiliation with the Soviet Union, because of religious and real-politics considerations. After it became obvious that the United States – even though it warned Riyadh of the Soviet danger – would not give more grants to Saudi Arabia, Saud II refused to accept the Soviets' overtures.

The fourth chapter is about the reasons behind the Buraimi-incident and its consequences. This little region is located on the Saudi-Omani border and its main importance comes from the fact that from the end of the 1940s great oil companies were sure that there was a massive oil deposit under the area. For this reason serious antagonism formed between the Saudis and the British (as Oman was a British sphere of interest). At first Saudi troops marched in and occupied the oasis, evoking resentment from the British. After 1952 the issue became a major political problem for the Great Powers. The British wanted Washington to make Saud II leave the area and forfeit his demand for the region. The Saudis hoped that the Americans would stand by them and would make the British leave the oasis. The United States of America did not want to decide in favor of either parties, they wanted to mediate between them and emphasized the importance of negotiations. However, their main aim was also to ensure the safeness of the postwar petroleum order, thus the wishes of Saudi Arabia were only of secondary importance even though they did not want to support neither the Saudis, nor the British. A series of long talks began but yielded no results, and finally the British – because of possible corruption – ended the negotiations. By 1955 the tensions led to military actions between Riyadh and London. The fight was won by the British overwhelmingly, forcing the Saudis out of Buraimi, and because of this there was a serious chance that this issue will be presented before the United Nations Security Council (UN SC) – as Saudi Arabia threatened to do so for years beforehand – and that is what Moscow was waiting for. The Soviets disambiguated that once the issue comes before the UN SC they will support the Desert Kingdom. So it is understandable that Washington's intention was to ensure that the British and Saudis make peace with each other

as soon as possible. However, the strife went on for years without a consensus proving the colonialist mindset of London. The Buraimi-incident can be considered as the main “rehearsal” before the Suez Crisis.

The fifth chapter examines Saudi Arabia’s ambition to be as independent in the oil business as possible and by doing so acquire more income. For the transportation of petroleum Saud II wanted to involve a new player beside Aramco: Aristotle Onassis. The Greek shipping magnate knew all too well that the possible profit worth the risk of what Aramco could mean. The American oil company, however, soon turned to Washington for help, which at first did not want to interfere directly, but also did not want Aramco to lose control over the situation, so eventually it used its influence to help the oil company, making the negotiations more difficult for Saud II and Onassis. This is where the true strength of Aramco revealed itself, since after the company was sure that the American government supports them, they stood by a firm point of view and did not give in to Saud II’s will. The king soon realized that, although his plan to ensure a wider margin for Saudi Arabia was not wrong, his Kingdom is much more dependent on Aramco than the other way around. So Saudi Arabia has a lot more to lose. Therefore Saud II gradually backed out of the Onassis-deal, and the shipping magnate – on the instruction of Dulles – was prosecuted by the American Ministry of Justice on the basis of cartelization. So the monopoly of Aramco was furthermore assured.

In chapter six and seven the United States’ aim to make Saudi Arabia its first ally in the region is explained and their intention to help the king become a leading power in the Middle-East as well. After the Czechoslovak-Egyptian weapons deal in September 1955, Washington found itself in a tough situation. It appeared that the Soviet influence in the region grew continuously. The Americans could not make Nasser to cooperate with them, moreover he turned to the Soviets for weapons and that caused serious concerns for Eisenhower. Although their aim – that a Western-allied politician must be made leader of the region – did not change, the plans necessary for that did. Since Egypt proceeded with an independent policy and did not care about the needs of the Americans, Washington needed a state that serves its wishes. Saudi Arabia was an obvious choice for that, because – aside from some small frictions – it had a friendly relationship with the United States of America. Thus the idea of the “Islamic Pope” was born, namely Saud II should be made the leader of Arabs in the Middle East using the fact that Saudi kings are the protectors of the holy places of Islam. For this Saud II had to be persuaded to cooperate, but he was piqued at the Americans because of Buraimi. Although the concept of the “Islamic Pope” was a logical one, in the indicated time period it was an outworn notion: it was supposed to be used against Arab Nationalism, while in those states where the

new idea was the strongest, Islam has already been in decline for a few years and laicism has already lunged forward. In reality there was no chance for success.

Saud II proved to be less and less cooperative: although he knew he could only rely on the United States of America, he was trying to make more and more conditions in exchange for his cooperation. His notorious “blackmailing” politics – of which he is famous for in literature – has its roots in this time period, in large part thanks to Buraimi. The Americans were forced to concede – even though they did not fulfill every request the king had –, since they wanted to avoid the possibility of the Buraimi question being presented in the UN Security Council. Washington seriously tried to conciliate the British and the Saudis not only because their antagonism hurt the whole West and could foreshadow a possible Soviet intervention, but because Riyadh started again to approach to Egypt as well. Neither Western power wanted the latter. At the same time Nasser disambiguated that he did not care about the warning of the West concerning Moscow, and also that he would continue to pursue an independent foreign policy: it seemed that there was no way to make him reconsider his decision. After Eisenhower administration’s last attempt to make the Egyptian president cooperate failed, they called off the previously promised loan for the construction of the Aswan Dam. In response to this Nasser nationalized the Suez Canal.

Following the nationalization of the Suez Canal, the foreign policy of Great Britain took an aggressive form: the possibility of solving occurring problems via negotiations became less and it was replaced by demands. In the summer of 1956, they – both the British and the French – already decided that somehow they must remove Nasser from power because they saw only a little chance of a compromise. Although they were aware of Washington’s viewpoint – namely to avoid direct intervention – they disagreed: in October 1956, they both agreed on the invasion of Egypt. Meanwhile the Americans tried to convince Saud II to establish closer links, but the king’s margin was vanishing because of the regional political situation. After the Suez Crisis, Nasser’s power and the influence of Arab nationalism increased enormously and as a result the Saudi king had no other choice but to support the Egyptian president, at least for a while. Earlier negotiations which restarted in connection with Buraimi between Great Britain and Saud Arabia were stopped again; due to the Suez Crisis, Riyadh broke off diplomatic relations with London.

The last section of my dissertation analyzes the Desert Kingdom’s internal power struggle. After 1955 more and more member of the Royal Family started to resent the huge spending and unthrift life of Saud II. They thought that the king’s monetary policy and the way how he dealt with Saudi Arabia – so to say he regarded the country as his own property – will

sooner or later bring the Kingdom to grief. As it turned out they were not mistaken at all as the country not only accumulated such a huge debt that they had to ask for the IMF's help, but also politically speaking it became weak. Due to Arab Nationalism, more and more serious pressure was on the Kingdom. Although the young Saudi princes have already thought back in 1955 that the time was right to replace Saud II on the throne, in reality they did not come forward with this plan. The main reason behind this was that the Kingdom being a tribal society, the Saudi princes' chance of success entirely depended on winning some of the elderly family members' full support. In the first place it was Faisal and his circle who wished to introduce new reforms to the country, however, they did not want to do such radical changes as the young princes who actually desired to deprive the king from its throne. Nevertheless, after 1956, more family members became displeased with the rule of Saud II. Moreover Arab Nationalism had an increasingly serious influence in the country. Since the Kingdom's integrity was endangered by both internal and external pressure, the elder members of the family finally decided to reduce the executive power of Saud II by delivering all power to his younger brother, Faisal, so as to rule the whole country. Making this step was a necessity, because, by the time Faisal took over power from the spring of 1958, Saudi Arabia had already become the number one target point of Arab Nationalism. Fortunately, due to the outbreak of the Lebanon crisis and the Iraqi Revolution, Nasser did not have enough power to fully turn against his greatest rival.

IV. New scientific results

Considering from a scientific point of view, I think I could accomplish such a valuable dissertation which not only introduces the internal affairs, economic issues of Saudi Arabia and its relations to the Western powers at the indicated time period, but also provides numerous amount of new information about the research topic. Due to the fact that the subject of my research is less researched than other Saudi Arabia-related topics, I can say that my dissertation can demonstrate new, not yet researched results about the history of Saudi Arabia between 1950 and 1958 even on an international level as well. As to Hungary, it is considered to be the very first research work which undertook the examination of the above mentioned time period of the Desert Kingdom.

V. The Author's previous Publications on the Topic

1. The Reign of Saud II from his accession to the Throne to the Suez Crisis (in Hungarian). In.: Ferwagner Péter Ákos (ed.) From the Nile to the Euphrates – Moments from the 20th Century History of the Mashreq. Belvedere Meridionale vol XXVII. issue 3. Szeged, autumn, 2015. [A Nílustól az Eufráteszig – Pillanatképek a Masrek 20. századi történelméből. Belvedere Meridionale XXVII. évfolyam, 3. szám. Szeged, 2015. ősz]
2. The Formation and the Functioning of the Gulf Cooperation Council (in Hungarian). In.: Garaczi Imre (ed.) Mediterrán Világ 31-32. Veszprém, 2014. [Az Öböl Menti Együttműködési Tanács létrejötte és tevékenysége]
3. Reforms in Saudi Arabia in the 1960's. In.: J. Nagy László (ed.) Études sur la Région Méditerranéenne vol. XXII./Mediterrán Tanulmányok XXII., Szeged, June, 2013.
4. The Saudi-Soviet Relations based on British archival sources between 1955 and 1958 (in Hungarian). In.: Garaczi Imre (ed.): Mediterrán Világ 25-26, Veszprém, April, 2013. [A szaúdi-szovjet kapcsolatok a brit levéltári források tükrében 1955-1958]
5. Documents from the History of the Saudi-American Relationship - The Agreement on the Dhahran Consulate and Air Field (in Hungarian). Documenta Historica 89. Szeged, June, 2012. [Dokumentumok a szaúdi-amerikai kapcsolatok történetéből. A dzahráni konzulátus és légi bázis szerződése]
6. Saudi-US relations between the revolution of Iraq and the formation of OPEC. In.: J. Nagy László (ed.) Études sur la Région Méditerranéenne XXI. /Mediterrán Tanulmányok XXI. Szeged, June, 2012.
7. American and Saudi Relations in the 1950's (in Hungarian). In.: Garaczi Imre (ed.): Mediterrán Világ 17. Veszprém, April, 2011. [Amerikai-szaúdi kapcsolatok az 1950-es években]