

Petroleum Convention. Eakens drew Tariqi out on Saudi Arabia's relations with ARAMCO, and his assessment echoed those found in the analysis of the U.S. labor attaché. Asked to name the most pressing problems with the firm, he replied the low wages and lack of opportunities for Saudi workers and the failure to provide decent housing for them and their families. Tariqi was simply more explicit about the inequity undergirding the oil industry in Saudi Arabia and the attitudes familiar to him from his time in Texas. "He said a director of ARAMCO was asked why the company had not developed plans for family housing and the director's reply was Haven't you read your bible? It says that Saudi Arabians are supposed to live in tents all their lives."³⁹

The U.S. labor attaché in 1951 understood, as did virtually anyone else who stopped to analyze the situation, that ARAMCO's industrial relations policies remained "backward" because no labor movement had so far emerged that might push the costs to the firm of maintaining the hierarchy of the camps above those of building "Arab housing" on par with American housing and educating its workers' children, let alone paying what it paid white people. These were all, as we have seen, already understood and discussed alternatives to the "classic" American Camp regime. They were known not least because they were already in play in places like Iran, Iraq, and Venezuela where there indeed were, as the attaché put it, "forces . . . capable of and interested in leading a labor movement." In Saudi Arabia, ARAMCO instead could temporize "and concentrate [its] attention on the production of oil and purely economic considerations."⁴⁰ It would in fact try to get away with a lower-cost alternative to training workers until forced to adopt the British Petroleum model after strikes in 1953 and 1956.

Some Americans, arguably including even some company officials, might have believed that by doing more at the margins ARAMCO could perhaps preempt the rise of nationalist and anticapitalist forces like those found in other parts of the world oil frontier. The trouble is, it was a gamble at best, and others inside and outside the company believed that a consequence of educating and "westernizing" Saudis would be to accelerate rather than contain the growth of radicalism. Some accounts of the Iranian nationalization tended toward this conclusion.

The experience of the Anglo-Iranian Oil Company in Iran proved to the satisfaction of the oil executives that the element of altruism which they introduced in their labor training program could "boomerang" to the

dissatisfaction of all concerned. For example, the AIOC deliberately trained more personnel, especially at the intermediate levels, then they could absorb within their own organization (unless they jeopardized the positions of their own nationals). It was intended that the surplus be absorbed by the Iranian government to steady and make more effective the Iranian bureaucracy and that other trained Iranians would be sources of more trained personnel for private Iranian industry. For reasons largely beyond the company's influence, neither the Government nor private industry had absorbed sufficient numbers of trained people to eliminate what then became a sore core of frustrated, educated Iranian workers.⁴¹

As the pressures on multinationals from populists increased elsewhere, both ARAMCO and the U.S. government increased their investment in the security of the Al Saud. As we saw, ARAMCO was promoting Crown Prince Saud Ibn Abd al-Aziz as the able successor, and was even ready to bargain upward on the share of oil rents, banking on the Saudis' fears of their enemies, Jordan and Iraq, to check any tendency to strong-arm the firm too much. The Truman and later the Eisenhower administrations did their parts as well. A now long-forgotten U.S. foreign aid mission (the Technical Cooperation Administration, or TCA) paid for the organization of the new Saudi Arabian Monetary Authority, which the Americans hoped might finally begin the process of fiscal reform—data gathering, budget making, and stabilizing the price of the riyal—talked about since World War II. Otherwise these earnest New Dealers looked in vain for "grassroots" organizations and initiatives to support.⁴²

The Americans also built up the air base, guided the creation of a Ministry of Defense (the minister, Prince Mishaal was about twenty-five when appointed), and beefed up the military training mission. Arms were another matter. The Saudis wanted new tanks and planes, but were staggered a bit when told the cost: well over \$150 million to outfit and train one 18,000-man division and one air force squadron. The United States provided \$15 million in military aid in 1951 (with additional funds for upgrading the Dhahran base).⁴³ It was going to be a long haul.

Americans Who Know the Arabs

Other means existed to protect "a very large, rich and powerful American industrial corporation operating at full blast" in a country that seemed surrounded