BLACK GOLD, WHITE CRUDE: RACE AND THE MAKING OF THE WORLD OIL FRONTIER

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> *"Throughout the 1950s Anglo-American strategy rested on an oil cartel... The five American and two British multinationals involved represented the substance of empire in the Middle East."*
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> *Wm. Roger Louis and Ronald Robinson*[1]

This essay, part of a work-in-progress on state and market formation in Saudi Arabia, introduces an account of American oil firms' investments in a norm of white supremacy and in a global institution or regime of ascriptive hierarchy known as racism.[2] Making this social or cultural historians' "move" is necessary in the interest of reviving the critical tradition of political economy and in doing the heavy lifting that others apparently will not do in studying the course of U.S. empire.[3] Oil firms in the world economy are, of course, a classic subject of historical analysis and as much an issue today as they were for various intellectual ancestors. And the period discussed here, the 1940s and '50s, the era before the 1973 "oil shock" that has exerted such profound influence on the questions we have asked about the past, is a truly remarkable time on what were then the frontiers of global capitalism.

Much about the renewed attention to oil politics and emerging markets in the 1990s is echoed in the history of state and market formation on the eastern shores of the Saudi kingdom. The pipeline battles in the Caspian sea are eerily familiar scenes from World War II in the Gulf, when "strategic" predictions about the world economy running out of oil first made headlines. Accounts of Baku as a boom town resemble those that were once written about Dhahran and dozens of other places. Even the muckraking attacks now on Chevron in the Niger River Delta, where the firm admits to transporting Nigerian troops to put down the rebellions in the oil camps, echo the past. Chevron once was Standard Oil of California (or Socal). Its subsidiary, Aramco, in Saudi Arabia had transported Saudi soldiers to invade Israel in the 1948 war, and hauled troops again in the war against Britain in the Buraimi oasis in the 1950s. In Africa, the oil

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giants are now deeply invested in public identities as partners in development, good guests helping with schools and roads, building hospitals, training workers and educating young people.

The Saudi case offers perspective on the origins or invention of these ideas about the firms as agents of development, and the case may also help us understand why the Niger Delta is currently in crisis. Here is where the hard work comes in, however, because until now it has been virtually impossible to find an account of the exclusionary practices and norms that defined the first wave of oil exploration abroad, in places like Saudi Arabia, practices which were themselves legacies of oil booms and market formation in the American west and southwest—Coalinga, Beaumont, and the like. The myriad defenders of cold war containment together with the critics of American empire, those cautious historians and bold political economy theorists alike, have all constructed their arguments seemingly without ever considering the encounter between Saudis and Americans "on the ground."[4] Doing so means having to excavate through multiple strata of company public relations campaigns and two or three generations of scholarship that rest on these foundations. Put more formally, the turn to archives, modes of analysis and areas of inquiry outside the traditional disciplinary boundaries of both diplomatic history and Americans' brand of comparative political economy can serve to revise and deepen our appreciation of the nature and extent—"the substance"—of the transition from British to US hegemony in the Middle East.[5] A multivocal record of resistance to the Americans' project, too, can be found in the oil camps and towns in the 1940s and 1950s, the new ministries and prisons, and in the palaces that the Bechtel brothers outfitted for the Al Sa'ud. Making sense of these various currents, however, means writing history that does not read backward, anxiously, from the vantage of the 1973 oil crisis, under the sway of declinism. It also means history in tension with those that firms and states tell about themselves. The moments, events and figures of the past from which the guardians of the US-Saudi partnership today still seek to insulate us would seem irresistible starting points for investigation, beginning, in this case, with the oil workers, many of them Shi'a, who fought to overturn the noxious racial order that Americans exported to Dhahran.

Most readers of this essay will likely already be more predisposed than are the Saudi regime's friends and clients in Washington today to recognize, at least for the public record, that American dominance of the Gulf long predates the 1990-91 war with Iraq.[6] But engaging with the argument will oblige you to reconsider your position along the interpretive continuum between continuity and change in the US-Saudi special relationship, and likewise to move toward America as an ordinary empire and away from exceptionalism as the template for historical comparative political economy.

I

There is something poignant in the recent defense by Berkeley political scientist Kiren Chaudhry of the "relevance" of Saudi Arabia and Yemen to "general discussions of political economy."[7] If, as she says, these qualify as "two of the least studied cases on record," then this is in no small part due to the particular kind of repressive institutional order fashioned in the Gulf since the 1960s. Still, we might stop and consider this claim carefully. What she means by political economy and who she is addressing applies to a fairly restricted cohort of American political scientists. And the claim only makes sense when understood in terms of particular kind of "vocational knowledge" that now circulates among them.[8] By widening the compass just a little we might conclude, contra Chaudhry, that the Saudi case is in fact critical to the founding of political economy as a distinct field of inquiry in the United States.

Of course, long before the consecration of political economy as an official "section" inside the American Political Science Association, developments in the Gulf were central to the ideas, institutions and social movements which are considered some of the intellectual sources of the field. From the writings of Hilferding and Lenin, to the varieties of more homegrown antiimperialist, regionalist and muckraking traditions—the *Nation*, Charles Beard, and the Texas Railroad Commission—the Gulf figured prominently in debates about the Great War, capitalist development, imperialism and resource economics. But it was the moment when Saudi Arabia and OPEC emerged as central actors in the world economy that gave rise to the debates on "relative decline," "structural power," the "sovereignty at bay" perspective on multinational corporations, "the new international economic order" and, on the left in particular, the arguments about dependency, the internationalization of capital, and the revisionist theories of Bill Warren, which form the canon in political economy theory today.[9]

If we widen the compass just a little more, to include the historians who focus on oil companies, emerging oil states and the dynamics of oil diplomacy, the Gulf looms even larger in our understanding of the course of the world economy. The torrent of work on Saudi Arabia produced over the past two decades by diplomatic and business historians, much of which is deftly treated and revised by Simon Davis in a 1997 issue of *Diplomacy and Statecraft*, covers much of the ground that Chaudhry criticizes her own tribe for avoiding. It is indeed quite conventional now inside diplomatic history to begin the narrative of postwar imperial demise with the Saudi case, because nowhere else in the Middle East was America's rise to dominance so rapid, complete and seemingly irreversible.[10]

The broad terms of debate about Americans, power and purpose in the Gulf were set in fact long before today's scholars had access to Foreign Office and State Department records from the 1940s and '50s. In those decades the Americans were criticized from a range of perspectives, inside the British residency in Kuwait, on Radio Cairo's *sawt al-'Arab* broadcasts, and in the posters and flyers appearing in the oil camps of the eastern Hasa province, for replacing an old tyranny by a far worse one, for pursuing crudely self-serving projects of all kinds, and for creating an oil monopoly that heedlessly commanded the fates of kings and migrant laborers alike. Executives from the Arabian American Oil Company (Aramco), the Delaware incorporated producing subsidiary of the largest firms then operating in the world economy, were in turn instrumental in trying to bring to the debate their own, far more positive account of the oil industry's and America's developmentalist ethos. Thus, they paid journalists in Cairo and Beirut, produced movies and magazines, hired writers like Wallace Stegner, aided and subsidized scholars such as Bailey Winder, Elizabeth Monroe and George Lenczowski, and funded organization such as the Middle East Institute.

Since the 1950s, variations of an argument for a uniquely American-style *empire lite* on the Hasa frontier have competed for our allegiance with an updated but still classic conception of world economy. At the extreme, the rhetoric and substance of imperialism is rejected as a way of telling the story of US-Saudi relations and of Saudi state formation. This is in essence the official "Aramco version" of history.[11] More commonly, the story of the dawn of the new American era is structured by loose comparison with other, earlier national imperial styles and epochs. And some choose to romanticize the capacities of clients and dynasts in Saudi Arabia and elsewhere to "manipulate" great powers for their own objectives, seemingly undaunted by systemic, global power asymmetries.

Those who in contrast continue to deploy the idea of empire "without fear or favor" as part of a broad account of British retreat and American expansion in the Middle East rely on the new canonical accounts of oil diplomacy in Saudi Arabia, both with good reason and to good effect.[12] These studies explain American foreign oil policy in terms of an evolving "public-private partnership" (Painter) or "coalition" (Anderson) among leading firms, sectors and state agents.[13] As an International Relations theorist might put it, industrial structure shaped the Anglo-American struggle for regional dominance.[14] The quote that opens this essay has Louis and Robinson making the same point more plainly: "Throughout the 1950s Anglo-American strategy rested on an oil cartel that...represented the substance of empire in the Middle East."[15]

Gregory Nowell, in his remarkable study of the interwar struggle over oil markets by firms and states, makes a key point when it comes to studying the politics of business. "Corporations see historical records as a cost to maintain, and at times as a threat to the firm—they do not systematically preserve their political records the way nations do."[16] The point is generally true al though Aramco is arguably a kind of exception, because they so closely modeled their organizational structure on key parts of the wartime US state, creating what in effect was a mini state department and intelligence organization, this latter office adapted quite literally from the OSS's

Middle East intelligence and propaganda division. This was the institutional home of Aramco's vaunted Arabists and, not coincidentally, many of the early CIA operatives in Saudi Arabia.

If, generally, firms are not like states in their approach to records, it seems that those who write about firms—whether they have official access to company files or not—tend to reproduce a narrative or model familiar from histories of states. Specifically, they write exceptionalist accounts. That is, they and write their own past as unique in relation to some other allegedly more common pattern across time. For the Arabian American Oil Company (Aramco), a consortium of US multinationals that controlled the vast Saudi concession, the starting and ending point is always that it was unique in the annals of the history of oil multinationals (or other firms) operating abroad. This account of the American firm of course mirrors the even more popular myth of America itself as empire's antithesis. Not surprisingly, in the early post-WW II years, when the American settlement in Saudi Arabia may have been larger than any other US enclave across the globe—Manila, Shanghai, the Zone—a central theme in an emerging Saudi historiography is that the kingdom's own course in the twentieth century is uniquely stamped by its success in avoiding colonialism and its consequences. So, it is often forgotten that the emir and later sultan of Najd was in fact an official client, the emirate a formal protectorate, of the British empire until 1927.

The Al Sa'ud's relations with British and US states in the 1930s and beyond would be constrained by a set of norms that sanctioned the right of national self determination. But Ibn Sa'ud, his rivals on the borders of Najd, and the groups owing various degrees of allegiance to these sultans and emirs continued to be subject to many of the same formal and informal practices as other parts of the Ottoman Empire's Arab provinces in the 1910s and 1920s. 'Abd al-'Aziz appealed desperately during World War I to be granted the same kind of protected status through which Oman, Bahrain, Kuwait, the Emirates and Egypt had been incorporated into the British Empire. Later, and following the collapse of the Ottoman state, Ibn Sa'ud was obliged to rethink the question of appropriate international standing for his domains once Britain had acknowledged the independence of both Egypt and the Kingdom of the Hijaz, the latter conquered by the Al Sa'ud in 1925-1926 and gradually absorbed into the emerging Najdi micro-empire over the next six years.[17]

The juridical status accorded Abd al-'Aziz's momentarily twin independent countries Hijaz and Najd did little, however, to alter the reality of the king's dependence on the British or the extent to which the imperial power checked Ibn Sa'ud's autonomy more effectively than he could dream for in his own dependencies and protectorates, Hasa and Asir. Most crucially, of course, is that Ibn Sa'ud never attempted war against his British-allied rivals and the territories they possessed, which he coveted. Instead, he had to resign himself, as later would his sons, to borders and frontiers imposed by others.

On the eve of World War II the new vast lands of the kingdom were essentially still little more than a federation of tribes and towns. The conquest of Hijaz had provided the Al Saʿud with the rudimentary technology of administration that his agents sought fitfully to master. The rebellions of the 1930s had been defeated. Ibn Saʿud's cousins and nephews supervised the taxing of the cities and provinces.[18] And as the kingdom's affairs grew increasingly bound up with the world economy, those who ruled gradually converged on a set of practices that made a Saudi state easier to imagine perhaps by the 1970s.

Thus, if we shift from a focus on sovereignty claims to more mundane realms such as work, education, technology, finance, health, industry and so on, then the claims that are sometimes made about the domains of the Al Saʿud having escaped the kinds of "colonial" experiences that scarred Egypt and other surrounding Arab states turn into mere debating points. The transformation of the landscape that became Saudi Arabia was designed and built by foreigners, arriving in increasing numbers in the 1940s and 1950s, and financed by foreign investment, foreign private and public aid, and large loans secured by future oil royalties. There was little capacity on the part of the king and his handful of agents to direct or to even oversee these changes, and "government" of the economies (it is impossible to think of the domains as an integrated network of markets and administrative rules in any meaningful way) was essentially limited to keeping the Al Saʿud solvent. This was no mean feat, given the king's "generosity" as his American fans put it, and one cannot help but admire ʿAbdallah Sulayman, the state's most important economic agent for decades and an extraordinary rent-seeker in his own right.[19] But the consequences included the arrival in 1951 of the first of many "missions" to guide the creation of national-level policy agencies and practices.

One perhaps can imagine the theoretical tension that is the result. American oil company officials argued, often exaggeratedly, that they were by far the most important engineers of institutional change in the kingdom (no other firm in the world had been more responsible, they insisted). All good things go together in this case because, again, allegedly in contrast to other firms or the British imperial project generally, they claimed both to respect local custom and treat Saudi sovereignty as inviolate. Saudis would, predictably, wince when confronted by these strong strands of Americancentrism and strain to assert their autonomy from the US expansionist project. So, of course, would the British government which redoubled its efforts to hold on to what it could of the privileged position inside the kingdom

II

The history of American expansion and British imperial retreat in the Middle East begins in Hasa, and World War II represents a turning point. The exigencies of the war had obliged Churchill's government to accede to American "open door" policies in the region in return for US support. In the face of the power of American capital, the administrators of empire, from Cairo to Teheran, desperately sought measures to insulate and preserve residual political prerogatives.[20] And although projections of Anglo-American condominium proved in general to have been misconceived, nowhere else in the region were illusions of limiting the US advance shattered so abruptly and thoroughly as in Saudi Arabia. Thus by 1945, Laurence Grafftey-Smith, newly arrived as minister to Jidda after a life-time of service to the empire in the Hijaz and surrounding states, described the kingdom as turning into a "virtual protectorate" of America.[21]

The landscape of power in the peninsula was indeed undergoing dramatic transformation. Aramco, the producing subsidiary owned jointly by Standard Oil of California (Socal, later Chevron) and the Texas Company (Texaco) had just started shipping oil in commercial quantities when the war began.[22] With transport and markets disrupted, the firm was unable to sustain production, so oil flows slowed to a trickle, the wells were capped, and a skeleton crew of 100 men remained in place in Hasa. The US state had no diplomatic representation in the kingdom on the eve of the war, when the ambassador in Egypt was named minister to Jidda, to oversee American interests in the gulf from Cairo's lush Garden City district.

By war's end, the legendary Col. William (Bill) Eddy, the Sidon-born and Princeton-bred marine, who translated for Roosevelt in his famous meeting with Ibn Sa'ud and who by the late 1940s was a CIA agent serving undercover in Aramco, had arrived to head the rapidly expanding American enclave as the new ambassador to Jidda.[23] Across the vast deserts of Najd, the American opened a consulate in Dhahran as well. A showcase agricultural mission grew food for the king's palaces. Thousands of Americans and their families began migrating to the Hasa coast where the US government had assisted the oil firm in building the kingdom's first major refinery as an emergency war measure. A US Air Force base was under construction in Dhahran. Transworld Airlines (TWA) flew 'Abd al-'Aziz's planes under contract and organized the kingdom's national airlines.. ITT ended the British imperial communications monopoly. California's Bechtel Brothers' firm operated country-wide as the kingdom's de facto public works department. And the Roosevelt administration had begun to pay the Al Sa'ud and to arm and train their warriors.

The American project, expressed in terms of "development" and "real self dependence" for the Saudi people, was being rapidly consolidated across many fronts, which explains the massive paper trail left by outraged British officials whose accounts of US "economic imperialism" are at times indistinguishable from those of later Bathists and Nasserists. Grafftey-Smith at one point pleaded to Whitehall to resist the surrender to American power: "This is not Panama or San Salvador."[24] But it is the turn by the Roosevelt administration specifically to funding and arming the

Saudis that serves in most secondary accounts as the measure of the changing imperial order and around which most interpretive controversies arise.

Because the enterprise of diplomatic history by its nature tends to reproduce biases against models of and assumptions about business privilege in market societies—so, as Gregory Nowell notes, its diverse practitioners are more likely to "speak of how states use corporations rather than how corporations use states"—it is necessary to recall what is most basic about the Saudi case.[25] The history of US foreign policy that we write, now, and the idea of "the national interest" that actors constructed, then, is and was contingent on a set of US investors capturing the concession and then mounting a campaign to have the state underwrite the risk. Certainly, it is difficult to imagine an emerging American-Saudi Arabian "special relationship" in World War II in the absence of the oil companies' investment there. We may well want to think about the limits on the ability of firms to secure their interests, but any notion of the oil multinationals fundamentally acting to advance (different and conflicting?) State Department objectives in Saudi Arabia defies all logic save that concocted by statesmen.[26]

In a case where historiography reveals a surplus of definitions of the so-called national (or public welfare) interest, we also do well to recall that <u>all</u> successful appeals for intervention for favors or to resolve a particular regulatory conflict come dressed in the same expansive national interest-defending garb.[27] Much ink would have been saved by analysts of US Middle East oil policy in the 1940s had the significance of this point been considered. Specifically, we are given little reason to accept that the fundamental explanation for the outcomes we observe are found in the new, and remarkably flexible, assessment of the "broad economic and strategic concerns" that key governing officials apparently came to believe in as they managed the transfer of millions in rents to Aramco's owners.[28] The other side in this contest, too, evoked with equal force and authority different but no less broad economic and strategic concerns, yet in most accounts (only) these arguments are dismissed as the narrow, self-serving rationalizations of rival firms and regions.[29] More often than not, historians of American foreign policy are satisfied to reproduce the state-centric assumptions of the functionaries that they study, "convinced that there truly is a "national interest" or at least there truly are people who believe in it and act on [its] behalf."[30]

By 1945, the State Department's own economists were producing scathing critiques of the tortured logic that underpinned the government's burgeoning aid program for Ibn Sa'ud. Assistant Secretary of State Will Clayton, the Houston cotton merchant turned New Dealer, used these as the basis for opposing Aramco's rent-seeking.[31] Given the oil firms' great wealth and the projection of the profits beginning to flow from the Saudi concession, there seemed little compelling reason why the US state and not the company should have been underwriting the chronic deficits of the Al Sa'ud.[32]

Aramco's original appeal to the Roosevelt Administration in April 1941 to loan the king $6 million, which is the starting point of every account of Anglo-American rivalry in the kingdom, raises precisely the same question. Once commercial sales of oil had begun, the firm advanced the king royalties according to an agreed-upon schedule. The company *pre-ferred*, and defended the principle, that these sums should not exceed the Saudis' share of sales, but they paid out "in advance" of the payments due from the purchasers. The problem for the by then habitually cash-starved kingdom was that the war disrupted its two main revenue sources at the same time: royalties from oil sales and the taxes paid by pilgrims to Mecca. 'Abd al-'Aziz and his agents pressured the company to meet the shortfall by advancing royalty payments above what was owed. *And the company turned to the US state to absorb some, ideally major, share of this additional cost.*

Those already familiar with the history will note that this bare-bones account possesses none of the drama that skilled readers of the State Department archives impart through lengthy quotes from the records of encounters between oil men and Arab hands or letters to FDR where Aramco's agents were apt to argue that failure to help the king meant that the "kingdom, and perhaps with it the entire Arab world, will be thrown into chaos."[33] While firms regularly seek and obtain rents from states, it bears repeating, convention demands that the favors be couched in terms of public interest rather than private gain.[34] From this mundane fact flowed the rising torrent of reports on shrinking oil reserves at home, restless tribes in Najd, and the desperate machinations of British agents bent on stealing the Aramco concession.[35] This river reached its full majesty and force as the various tributaries—military mercantilists, New Deal *dirigistes*, Anglophobes, oil executives turned government advisors, and a caste of career State Department officers desperate to play the "great game" in the Middle East—came together; and also as, predictably, a counter-coalition organized to try to dam this thundering Niagara of corporate internationalism.

A real and increasingly heated contest between the State Department and the Foreign Office took place in the latter part of the war, governed by classic rationales of raison d'etat or realism.[36] This "war within the war" began in Cairo, which was the center of Allied military and economic operations, but soon spread to Jidda.[37] Americans like Alexander Kirk, the ambassador in Cairo, James Landis, the hard-drinking New Deal lawyer who represented the US inside the Middle East Supply Center, James Moose, the first US minister to Saudi Arabia, and his successor Bill Eddy led the charge against British neo-colonialism, and their counterparts, notably the senior minister in Jidda, Stanley Jordan, battled zealously to defend Arab clients against the tightening American "stranglehold." But the side effects of *raison d'etat* on habitual users are well known, and the archives are bulging with fantastic, hallucinatory accounts, for example, of a secret British oil survey mission dispatched to Saudi Arabia disguised as...a locust fighting team! With millions in rents at stake, Aramco's agents were happy to supply what was an apparently bottomless appetite for this kind of stuff.[38]

The stages in the process whereby the American state replaced the British one as the patron of the Al Sa'ud and protector of their domains are well known. The company's original proposal was direct to Roosevelt through James A. Moffett, the president's friend, a long-time advisor on oil matters and, at the time, chairman of the board of the Bahrain Petroleum Company, another holding of the same firms that owned Aramco.[39] Although FDR endorsed the idea, his counsel feared a political backlash that led the White House ultimately to channel $10 million to Ibn Sa'ud in 1941-1942 as part of its $425 million wartime loan to Britain.[40]

While the company tread cautiously, aware that they were in fact paying out less than they might had the Saudi state been better informed about agreements in place elsewhere, they renewed their campaign for direct US aid to the king for two reasons.[41] First, 'Abd al-'Aziz and the handful of agents that oversaw the kingdom's finances tried to play the company against the British state. The Churchill government had begun to press for reform of the kingdom's finances as a price for its aid, and additional funds from Aramco increased the agents' maneuvering room. Second, while the company supported intervention in the kingdom's financial administration as much as the British did, it wanted the US involved as a counterweight to London.

February 1943, when FDR authorized direct Lend Lease aid to the Al Sa'ud, marks the twilight of British power in Najd. The British were simply too dependent on the Americans to oppose their entry into the Gulf and too stretched to match the resources at the New Dealers' command. As in Egypt, some British officials imagined it possible to contain the Americans, but where these agents fought American initiatives, the effect was generally to unify and focus the actions of a divided state administration. A first shipment of 60 trucks released from allied stocks were airlifted with great fanfare to Jidda in American planes to make sure that the British could not take credit for the delivery. Credits from the Roosevelt administration rolled in rapidly thereafter.

The US delivered $18 million in goods and services over the next two years, as its share of a joint Anglo-American economic and military assistance program. British efforts to reduce these sums ostensibly in order to discipline their client in Najd led the Americans to instead raise them and downplay the need for reform.[42] Beneficiaries of the Anglo-American rivalry included the king's financial agents together with his sons whose appetites for palaces and Chryslers were prodigious. It is impossible to calculate how many millions of Lend Lease dollars were squandered. A second beneficiary was Aramco, whose rent-seeking skills left the finance minister 'Abdallah Sulayman and his Hijazi rivals the 'Ali Rida family looking like amateurs. The Dhahran Airport was built with public funds, and vital shipping space and materials were made available for the Ras Tanura refinery, for the company's ultimate benefit, a deal sweetened by the long term contracts signed with secretary of the navy Forrestal, a one time lawyer for Texaco, at prices 20% above the world market.[43] While it is harder to assess, the company may well have also gained some breathing room against its competitors, notably Standard Oil of New Jersey (Exxon) and the Rockefeller interests, which was the real threat to the security of the concession.[44]

The US government replaced the British as sole protectors of the Al Sa'ud in 1946, taking over a role that dated back to the days of the Ottoman Empire and its subventions to the emirs of Hijaz and Najd.[45] Ibn Sa'ud had little choice, given the position of his kingdom in the regional and global orders. Placed in its diminished context, his independence was limited to bargaining on the terms of the Dhahran base, and the postwar loans and Export-Import Bank credits. But the Americans refused the king's pleas for a treaty that would make American defense of the Al Sa'ud more reliable.[46]

The arrival of thousands of American oil hands, construction managers, air force personnel and their families in the 1940s spelled the beginning of the eclipse of the British, who were ensconced in Bahrain and Kuwait, as a force shaping the social life of the Hasa region. These men and, increasingly, women formed the core of a significant American enclave on the east coast of Arabia. The British would acknowledge as much by seeking, it turns out futilely, to make Jidda an equivalent, exclusive Anglo-Saudi development zone. An amalgam of Californian, Oklahoman and Texan forms and styles were built in close proximity to the new "native" town. This was a foreign designed and administered settlement, with powerful impacts on the surrounding area, over which the King and his agents exerted little oversight or control.

III

> "The whole people are saying that my country is an American colony. They are plotting against me and saying Ibn Sa'ud has given his country to the United States, even the Holy Places. They are talking against me. I have nothing, and my country and my wealth I have delivered into the hands of America."
>
> King 'Abd al-'Aziz[47]

The ideas undergirding American activities in Eastern Saudi Arabia looked backward to Jim Crow—the era of white supremacy, norms of discrimination, segregation and, at its margins, of paternalist "racial uplift"—more than they anticipated post WWII ideas about decolonization, nation-building, and the end of the global color line. Practices on the Hasa coast closely resembled those, for example, in the Panama Canal Zone where the US state had constructed a segregated colony. It is along these global frontiers, as the place of most pervasive, daily contact with the province's inhabitants and migrants from surrounding areas, where counter-ideologies of American neocolonialism emerged inside the kingdom.

Dhahran—where US troops are now stationed and where the barracks were bombed in 1996—was founded by Aramco in the 1930s. The reordered name—from California Arabian to Arabian American Oil Company—in 1944 could not disguise the foreign roots of the oil enclave. Its center was the fenced-in compound originally known as "American camp" where the firm built its headquarters and housed all US employees. Saudis lived apart in Saudi camp, the skilled Italian builders brought from Eritrea to build the refinery made up Italian camp, and so on. Dhahran and the other enclaves that followed in Abqaiq and Ras Tanura were in essence company towns (or camps as they were commonly known in the industry), and resembled the mining settlements of the nineteenth century American west, which the larger and wealthier US oil companies had started to adopt in their operations in the 1910s and 1920s. Segregation was standard in the camps. US firms exported the model in their foreign operations in Colombia, Venezuela and no doubt elsewhere. Dhahran was little different in this respect.

The racialized order inside American camp, where Saudis and others were forbidden to remain after working hours or from entering the part of the camp where American families were housed, and the squalid living conditions the company provided non-American employees led in Dhahran, as in the Latin American enclaves, to the first strikes in the kingdom's history in the waning days of World War II.

One hundred and thirty seven drillers in Dhahran walked off the job on July 14, 1945 in protest of the company's discrimination. Fearing that the strike would spread, the company took steps to protect workers who were professing loyalty to the firm, and pressed the local governor to stop the uprising, as 800 and then 2000 joined the strike, only to face the savage beatings meted out by the emir's "slave-soldiers," as one Aramco official recorded in his diary.[48] Although "hundreds" of disgruntled American workers had "rioted" back in April, destroying company property at the Ras Tanura refinery site, they were not subject to beatings like the Saudis.[49] Nor were the Italians who, fed up with being treated "just like the Arabs," followed the example of the Saudi workers and struck en masse on July 30.[50] Five days later, the entire Arab work force of 9000 resumed their strike, because, as the consulate recorded, "most of the Saudi workers apparently consider themselves ill-housed, ill-paid, and ill-used in general."[51] Ultimately, even the king acknowledged the roots of these protests when he told Eddy, the US ambassador, that "some of my people have been spoken to as no man should speak to a dog."[52]

The strikes of 1945 mark the beginning of a pattern that lasted for a decade or more, where collective action would force the company nominally to commit to some specific and small improvement in the wages and living conditions of the non-US employees, for example, floors for the reed huts in Saudi camp, latrines for the Italians, and so on, as the California-style bungalows, school, pool, oleander hedges, dining halls, bowling alley, golf course, ball park, cinema and other landmarks rapidly took shape inside the fenced-in world of Aramco's American camp.[53] Meanwhile, strike leaders and other "troublemakers" would be rooted out, summarily fired, and sent back to Iraq, Hijaz, Pakistan, and Eritrea.[54]

Sometime in the late 1940s the baking hot and fly infested old "Arab hospital" was replaced with a new one, presumably along with the medical director who took "little interest in the health and care of Arabs."[55] The first contingent of workers moved into permanent concrete barracks equipped with light bulbs and non-dirt floors in Saudi camp in 1947.[56] Back in the states, the public relations firms were free to claim to be building "new quarters...for Arab workers [that were] among the best in the Middle East."[57] From the start of the firm's expansion drive in 1944, Aramco managers had recognized the basic inequities in the company's labor regime. "[W]e are going to be faced, one of these days, with the question of why we furnish the Americans with better free housing than we do the Arabs."[58] Saudi workers had as much right to live with their families as American workers, nonetheless, families were banned from Saudi camp, and the firm postponed for another decade answering the question.

A second round of strikes in 1953 and 1956 against the company took place in dramatically different circumstances, marked by the death of 'Abd al-'Aziz, rising Arab nationalism, and the shifts more globally that would result in the founding of OPEC.[59] Both inside the US and in their operations abroad, oil companies faced with the enormity of the costs entailed by extending the benefits of the traditional housing regime to the full work force turned to alternatives.[60] Aramco launched a program to support local home ownership for its Saudi work force in 1953, and sweetened the terms following each of the strikes.[61]

No social agent had a more dramatic impact on the landscape of the oil province in the 1950s than Aramco, which built the roads, power stations, sanitation works and residential quarters of the "Arab towns" north and south of Dhahran, where they guided workers and their families to settle. Dammam, which is today the region's population, commercial and administrative center, and al-Khobar grew rapidly, and the numbers of Saudis living in the vicinity of Dhahran and the two smaller American enclaves fell. Americans neither wanted the squatters who had settled on the fringes of the camps in classic boom town fashion, nor a "modern Arab city" at the Saudi camp site. Crucially, this enclave preservation strategy evolved inside Aramco against an explicit alternative defended by the king's agents that involved planning for the merger of Arab family housing with American camp.

The education of Saudis, the second of three components of what came to constitute Aramco's vision of "partners in development," was no less a result of protracted struggle than was housing. Americans initially refused and then in other ways resisted demands for such programs.

Moreover, there was a significant clash of visions, which rehearsed the debates in the U.S. that are synonymous with the Jim Crow era. Aramco's managers took the side of the coalition of southern intellectuals and northern philanthropists who backed the project of Booker T. Washington. The proper education policy for Saudis in the firm's view circa World War II was basically vocational—reading, learning simple skills, turning the best of the Arabs into higher skilled workers and lower grade technical cadre that would ultimately replace some segments of migrant labor from Asia and the construction stiffs from Texas and Louisiana.

Just as W. E. B. DuBois and the radical sections of the Pan-African movement rejected the racist assumptions and anti-democratic consequences of the Hampton-Tuskegee model, 'Abdallah Tariki, a founder of OPEC, and like-minded modernizers put forward a counter-vision that involved training at the university level for Saudis able to take over management of the firm. Significantly, because the fact is virtually always forgotten, this first cohort of Saudis who trained at universities abroad <u>were not</u> Aramco trainees, and they would become some of the firm's most strident critics within the emerging state apparatus. The first Saudis sent by the Americans for advanced training abroad—to become translators, teachers and the like—went to Cairo and Beirut in the early '50s. The strike leaders were drawn from this same cohort. The firm's intelligence work confirmed this and it became common to argue that the rise in the oil province and inside Aramco's labor force of Nasserist, communist and other radical strains were a consequence in part of this stream.[62]

It only remains to note that these struggles over housing and especially education in the 1940s and '50s in Saudi Arabia were familiar to anyone among the principal owner organizations or those in Aramco who had worked in Mexico, Colombia or Venezuela in the '20s and '30s. In each of these places, every change toward a more just treatment of the oil field workers was a concession wrested politically from the companies. There is nothing particularly surprising about this, save that all existing accounts of the foundations of the US-Saudi special relationship have seen fit to ignore the extensive archival documentation on these matters. Unsurprisingly, the labor regime that emerged in Saudi Arabia also does not fit well into the company's carefully cultivated image of a firm that was unique in the annals of multinational enterprise. Rather, it turns out that in the 1940s-1950s, Aramco managers acted like Standard Oil and its rivals in Venezuela and Anglo-Iranian (BP) in Abadan in the 1930s where reforms in housing, education, wages and basic needs all depended on workers first acting collectively to claim them as rights.

As for the third component of Aramco's and, today, most firms' identities as good neighbors, namely their role as agents of development, it is by far the least compelling part of this exceptionalist tale. It is crucial to keep in mind the distinction between the idea of incorporation in the world economy and development. While both may entail powerful, dramatic and wrenching change, which can be studied at multiple levels—

property rights and the mode of production, to building styles and consumption patterns—development, as a purposive policy or project, carries a particular value orientation. In the specific context of the U.S. and the rise of these ideas there in the mid to late 1800s through the glory days of AID in the '60s and '70s, until today, development is closely linked to notions of uplift, service and altruism. Certainly, this is how both firms and states used the concept to distinguish between past eras or the projects of rival firms and states where "self" interest drove policies of exploitation.

It is important, as well, to keep in mind an accident of geography. The world oil frontiers are typically located far from urban centers—think of Beaumont, Alaska, Maracaibo, Ecuador, the Niger Delta—which means that the transnationals undertake a variety of ancillary operations as a cost of production. Aramco, like its parents' and competitors operating in Venezuela or in southwestern Iran, hung power lines, laid roads and built housing <u>in order to</u> produce oil. Writing about Iran in the 1920s, before Aramco was created, British Petroleum's official historian shows that the borders dividing municipal and corporate responsibilities were nonexistent.[63] While the postwar ethos of developmentalism allowed Aramco's managers to give these infrastructure and services investments a progressive and philanthropic cast, they were *from the earliest days of the industry* a necessity given the existing level of state and market formation in many production zones including Texas and Oklahoma.

Clearly, the oil companies were intent on managing their public relations at home against muckrakers, large segments of the western European and US labor movements, hostile regions and politically powerful competitors, and abroad against the "nationalist" and "communist" oppositions cropping up virtually everywhere, it must have seemed, from Maracaibo to Beirut. Thus the official line to be taken in speeches, press releases, films, and by the writers they subsidized and the journalists they feted was that Aramco in Saudi Arabia pioneered a "third way" against autarchy in the global economy and old discredited forms of colonial exploitation and tutelage.

Aramco was able to preserve hallowed American institutions and privilege intact at least through the 1950s. The size of the labor force peaked in 1952 at 24 thousand total. With the wartime expansion program finally completed, the firm downsized steadily. At the time of these events, the firm's agents argued that it was the bottom line that drove the glacial pace of change, and that Saudis did not want the amenities that Americans needed; that it was simply "better" if Arabs were kept out of American camp. Years later, and of course only in private correspondence—another hallowed tradition in American culture—is the fact of racism acknowledged, as "the shameful days" when workman were called "rag heads" and "coolies," and a "Texas herrenvolk atmosphere" reigned inside American camp.

IV

In February 1948, in the midst of the escalating crisis in Palestine, Aramco's Vice President and chief Washington operative, James Terry Duce, telephoned a contact at State warning that the "Left Wing and Zionist American Press is preparing a smear campaign against him and his company."[64] Though it did not take much imagination to link big oil to the anti-Zionist and anti-partition currents inside the US, the *Nation* had gotten hold of an internal Aramco memo by Duce sent from Cairo in December 1947 to the company's president, William Moore, summarizing his contacts with 'Azzam Pasha and other Arab leaders. To the *Nation's* Freda Kirchway, it was "documentary evidence" of Aramco's efforts "to destroy the partition resolution" in "collusion with the State Department, and of how "American dollars...finance the war on the Jews."[65] Its authenticity was confirmed by the attack on Duce inside the company's board, where the chairman of the board was blaming him personally for turning the spotlight on Aramco, and the New Jersey and New York directors were seeking his dismissal.[66] Imagine, therefore, the reaction had the public discovered that Aramco paid the costs of the annual Saudi missions to the UN through 1947, let alone that it hauled the king's soldiers in the war.[67]

Aramco and the widening array American interests that supported it were vital in the ongoing process of transforming a conquest movement into a state—from building its army to defining its boundaries. A senior intelligence officer was planted as the head of the US training mission to the kingdom.[68] Bill Eddy, while still in the State Department's intelligence office, hatched the plan to appoint another asset—in this case Najeeb Halaby, the father-in-law of the late King Hussein of Jordan—to serve as the kingdom's civil aviation advisor.[69] And the firm's in-house research and analysis organization, the Arabian Affairs Division, worked "on an almost full time basis between 1947-55" on Buraimi and the other boundary issues that underlay the rapid deterioration of Anglo-Saudi relations in the 1950s. The head of the division, George Rentz, revealed the company's intense involvement to the consul general in Dhahran, Parker Hart, in 1949, as well as the company's motivation, namely the oil structures in these disputed areas.[70] Most crucially, the firm and the Truman administration continued to subsidize the conquerors of Hasa and Hijaz and to support their dynastic ambitions.

The true spirit of this moment in America's empire building in the Gulf is epitomized in the trip that Aramco arranged for the Crown Prince, Sa'ud ibn 'Abd al-'Aziz in January 1947. It cost the company over one-half million dollars to haul the king-to-be across the country, showcasing air force bases, dams, farms, factories and Oriental studies at Princeton, which Aramco was supporting. In Washington, Sa'ud failed to obtain funds for the railroad his father wanted to build between Hasa and Riyadh. But he was able to run one for a little while—during the gala banquet Aramco held at the Waldorf in New York.

The guests—assembled from the elite of the oil world, Bechtel, New York banking circles, State Department Arabists and Allan Dulles, that night representing the Near East College Association—sat down together at one massive oval table. Saʿud bin ʿAbd al-ʿAziz's place was clearly marked out for the guest of honor.

The entire center of the table was laid out to represent a New England village in winter time. A river flowed down through the center between snow-covered hills, past an old mill and under a bridge. A church, a school and houses dotted the hillsides and there was a Texaco Filling Station along one side of the main highway. Winding through this scene in a figure eight was a miniature electric railway complete in every detail. The controls were located at the Prince's plate and he enjoyed himself running the train, blowing the whistle, producing puffs of smoke and loading the coal cars.[71]

The same State Department official who reported on the toy train display also watched the prince carefully during the entertainment that followed dinner and speculated on his highnesses sexual preferences based on Saʿud's apparent esteem for Galli Galli the magician and lack of interest in the Radio City Music Hall's famous dancing Rockettes.

The paternalism was, doubtless, unconscious. So, too, the recycling of images of the prince's father Ibn Saʿud as the proud warrior statesman. Perhaps some even came to believe the company's accounts of the monarch's investment in his people's development and of Aramco as a Point IV program for Saudi Arabia that was "free" for the American people, although it is not hard to find private views diverging radically from public ones.[72] For example, the stump speeches of Terry Duce and Bill Eddy sung the praises of the unique partnership-in-progress, although when called on to analyze the massive worker strike of 1953 for the state that secretly employed him, Eddy struck a different note, contrasting "this primitive land of low pay, slaves, eunuchs, and harems to the comfortable conditions of US residents in Dhahran."[73] Both these versions of America's Kingdom are, it turns out, ones in which Aramco and its clients were heavily invested.

V

> "In the Gulf, the United States has ironically broken with its former dictum [that] we would oppose domination of the Gulf region by any single power. We have become that power and now we have to accept the consequences of that fact."
>
> Amb. Richard Murphy, Washington, DC[74]

> "Why are US troops in the Middle East? Surely there are plenty of robust, patriotic Saudi Arabians eager to defend their country's oil."
>
> Etta Solnick, El Paso, Texas[75]

When nineteen soldiers died in the July 1996 bombing of the Khobar Towers building in Dhahran, an old debate was engaged once more and, even more briefly, a spotlight cast on a place that is little known and yet, as in the 1940s, represents "the largest group of Americans living abroad anywhere."[76] For the Gulf caucus in New York and Washington, across the Gun Belt and along the Beltway, queries like Etta Solnick's can be brushed aside as cultural remnants of American "isolationist" and populist folkways or the reflection of regional and other parochial "special" interests.

Now, a half-century after the famous meeting between FDR and Ibn Sa'ud, the idea that the nation's security interests dictate continued protection of the Al Sa'ud and "their" (once "our") oil resources is no longer a proposition, requiring a defense; it has become an axiom of national interest realism.[77] Historical analysis represents a way to a more compelling answer to questions like the one that Solnick and generations of Americans preceding her have asked: why is the US in the Gulf? And history was apparently barred from the hearing room when a forthright Ambassador Murphy lectured Congress to face up to its responsibilities. *If* America has broken with its "dictum" and now finds itself exercising "outside domination" of the Gulf, then what kind of authority was being exercised in the 1940s and 1950s?

Clearly, one needs a model or theory about the kind of order that emerged as American power expanded.[78] The public statements of US officials will not suffice to resolve the key analytical problems, nor will they help in tempering the tendency in the official archive to romanticize the figure of 'Abd al-'Aziz, for good reason. Few clients in the decade after World War II gave the American state and American capital so much for so little: key resources for the recovery of Europe, his "reasoned" course on the Palestine front, and, once Socal and Texas were brought around, an investment that gave Jersey Standard remarkable leverage against its most powerful rivals. Moreover, this was at a moment when developmentalist and populist coalitions in Latin America were challenging the privileges of foreign investors and, in Asia, wars and insurgencies threatened.

In Najd, the king begged for arms and a proper treaty that might increase, at the margins, the dependability of those he now depended on to protect his domains. Neither independence nor a rapidly multiplying income changed the structural constraints that left Ibn Sa'ud's administration unable to master the logistics of reliable transport for the palace and that left him free to give away what he could not possess. "Akaba is mine," he told Aramco's Floyd Ohliger and other senior officials in 1947. "It belongs to the Hejaz but for now we shall leave it as it is."[79] Ten years later, his successors advanced, but did not try to defend, an explicit sovereignty claim to the Gulf of Aqaba, and where they did try to defend the claims that Aramco produced for Buraimi, they were defeated.[80]

To give the idea of the kingdom's independence slightly more luster than provided by a national anthem made to order for the Crown Prince, composed and arranged in New York, played by the Marine Band, recorded in RCA studios and shipped to Riyadh, there is, inevitably, the matter of bargaining power over Aramco.[81] For example, the finance minister, Shaykh 'Abdallah Sulayman, an alcoholic by the late 1940s under whose regime millions of dollars in royalties were extorted by various palace and merchant circuits, is the agent that, in some accounts, exercised the power against the world's largest firms "to behave...with a deference...uncharacteristic in their industry."[82] All such variations on the theme of "states using firms" and the wider lessons about the nature of power in the early postwar Middle East are to be approached with caution.

From virtually the day oil from Hasa was first was loaded at the docks in Ras Tanura and ferried to Bahrain for refining, the Americans associated with this project joined a debate, already decades old, about the nature and purpose of US power in the world economy. The firms' public positions on these matters were assured widespread exposure and a degree of support through various actions that social scientists label "instrumental," e.g., by the subsidizing of journalists, consultants, academics, politicians and parties. But many of the ideas were themselves variations and elaborations on the American exceptionalist tradition. Outside the national borders, Aramco (the oil industry, American investors in general, the nation, the US state) acted differently from other great companies and powers.[83]

How do we assess the claims of Aramco's agents about their respect for self-determination and their commitment to justice rather than exploitation, even as they acknowledged that they were a "tremendous factor" in the lives of "all Middle East Arabs" and one that "created a new province" and "new communities" on the west coast of the Arabian peninsula?[84] Of course, all firms made these kinds of claims, as did expansionist states, from the nineteenth century on. And it bears reiteration that Aramco was a subsidiary belonging to, and one whose policies were closely controlled by, other investors or larger US firms who had in decades past carved out a record of interventionism that was indistinguishable from the "colonial" European competitors.[85]

If they even bothered to defend this kind of exceptionalist assertion, Aramco's agents would turn to the eighteenth century and the contrasts with the East India Company. When, more reasonably, they turned to the twentieth century for comparisons to Anglo-Iranian and the Iraq Petroleum Company, they had to have banked on the likelihood that the civic groups, newspaper editors and academics back in the states, for whom this boilerplate was designed, would not look too closely. Their private assessments and those of the State Department told a different story, as I have shown, and the company was aware that the king's agents had been busy investigating the labor regime in Basra. But the company bet correctly, because the image of the firm crafted in the 1950s in Lowell Thomas's Cinerama spectacular, *Seven Wonders of the World*, Stegner's *Discovery!*, and Lenczowki's *Oil and State in the Middle East* is the one we still contend with today.

Exceptionalist logics provide systematically wrong explanations for the real if limited gains secured by the changing sovereignty regime in twentieth century. And the Aramco story or the closely allied story of the origins of the US-Saudi special relationship is simply one more instance of the myth of American difference. In conventional accounts, the record of brutal expansion across the continent in the 1800s and its technologies of "market making. land taking, boundary setting, state forming and self shaping" is not viewed as part of a larger, global process.[86] Agents at the time understood these connections. But exceptionalism depends on the artfully lagged comparison between post World War I or World War II America "abroad" and nineteenth century Europe, contrasting Ford Motor Company in post-1952 Egypt to the late mercantilism of Unilever in Africa, Aramco to the world of the East India Company.

The ideology of national interest realism, too, misleads historians about the nature of power and privilege in Washington, Riyadh and Dhahran. The share of rents generated by the Aramco concession took decades to shift in favor of the Saudi state. And it was decades before the regime also ended a labor regime where westerners and whites discriminated against Arabs at large and turned it against the Shi'a population in the Eastern Province. Accounts of the wartime and early postwar period drawn from State Department records at times leave the impression that Aramco's principals were the weak party in a game with the king's finance *wazir*, and the Al Sa'ud skilled practitioners of a Najdi *realpolitik* that permitted them to get the best of great powers and companies alike. Part of the problem is that the company's regular and ritualistic exaggeration of the threats from all sides fill this particular kind of archive, in much the same way that British and American diplomats in Jidda, conditioned by norms of *raison d'etat*, see the other as the aggressive party against which they must act, as they portray it, from a weaker position.

There was clearly a shift taking place across the twentieth century in the relationship between multinational firms and the political classes in "host" countries, such that investors were increasingly unlikely to call for gunships as a way to resolve their collective action problems, but it had little to do with culture. And Aramco's owners and their major competitors, like other industries with large fixed investments in place in Mexico, Colombia, Indonesia, etc., were generally not the vanguard of this particular revolution.[87] The high capital intensity of the petroleum industry may help explain why the majors firms adopted housing programs and other benefits that distinguish them from other more labor intensive industries in this period.[88] But these concessions, like the broader changes in what I have been calling the global sovereignty regime, were the outcome of political conflict or *resistance* to the order that dominant states and investors preferred if left unchecked. Aramco's labor policies are a perfect illustration.

Texaco, Socal, New Jersey Standard and Socony/Mobil—Aramco's owners—had all accumulated decades of experience in dozens of locales: Beaumont, Bakersfield, Pico, Coalinga, Maracaibo, and Tampico during the throes of revolution. They and their competitors conceded to union demands or, where politicians' and the firms' interests aligned in defeating unionization, to government pressures to build houses and schools. But the same concessions had to be wrested all over again, piece by piece, by workers in Hasa. No more surprisingly, finally, in the "official mind" of the company, concessions are then reimagined as the proactive, enlightened American approach to industrial relations that secured the harmony which eluded British competitors in Iran and Iraq.

A mix of ideas works to sustain the classic oil camp model late in the twentieth century: beliefs about markets, merit, culture and no doubt race. Today, on the newest oil frontiers of global capitalism and inside its oil camps, we are apt to find not only echoes of the ideologies first invented in places like Dhahran (and Madison Avenue) but the din of a building frenzy, with firms pressed between the competing demands of getting production going and supplying a labor force drawn from a half dozen or more countries. There will be visible gross disparities in pay, benefits, and amenities among classes of employees that just happen to divide along national and ethnic lines. The innovation that Aramco gradually adopted over the 1950s and '60s, once their nascent labor relations division recognized that the ordering effects of "skills" and "races" were more or less identical, is now the convention. The Americans' quarters will still look strikingly different from those occupied by Azeris in Baku.

The secular shifts in the world economy since decolonization and the first wave of nationalizations mean that oil companies have little illusions about the life-span of these new concessions and so little incentive to add to their labor costs or to act other than to get what they can get away with. But the Saudi case reminds us that politics can undo the order that these ideas represent and sustain. In Saudi Arabia, some of the very same Saudis who, according to the firm's experts, in the 1940s allegedly did not want western creature comforts are not only living in company-built villas but are now in charge of the company.

NOTES

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[1]"The Imperialism of Decolonization," *Journal of Imperial and Commonwealth History*, 22, 3 (1994), 483.

[2] See Robert Vitalis, "The Graceful and Generous Liberal Gesture: Marking Racism Invisible in American International Relations," in Patrick Conge, ed., *Power and Imagery: Creating an International Society* (Ann Arbor: University of Michigan Press), forthcoming.

[3] The lament by Kiren Aziz Chaudhry, that "political economy approaches were deconstructed before they took shape" in Middle East area studies, misses the point ("The Middle East and the Political Economy of Development," *Items* 48 , June-September 1994, pp. 41-49). *Little remains of the critical and antiimperialist identity inside professional political science from the turn twenty years ago to political economy.* New cohorts of progressives doubtless have a much harder time these days seeing their values, hopes and worldviews reflected in a graying and comfortable group of faculty fretting over "the relative weight of international, institutional, and interest-based explanations of change in the domestic political economy." They probably also see little engagement with the ideas that propel oppositional politics and culture in the places they are working in—Cairo, the Niger Delta, Johannesburg, Port-au-Prince. Today, the critical and antiimperialist traditions that constituted the original identity of "third world political economy" are reflected much more powerfully in parts of anthropology, cultural studies, gender studies, literature and history than in political science, and more in British political science than in the American Political Science Association. The boundaries Chaudhry and many others are intent on maintaining nonetheless exclude most political scientists and others who argue for, with and within the critical tradition of political economy, a great deal of the contemporary theorizing about globalization, and the now conventionally described "new history" of empire. These quite diverse streams are sometimes misleadingly collapsed into the catch-all category "postmodern theory."

[4] While work in the state department and foreign office records is the stock-in-trade of the cold war era's diplomatic historians, problems of development, industry building and economic administration have never mattered much to these scholars in comparison to problems of political intervention and regime change. Those parts of the country record sets that concentrate on economic and social affairs are not used and have never been seen by most specialists in the history of American foreign relations. The truth is that the US historical profession has not as yet produced any significant tradition of scholarship in American interventionism that is comparable to the "new social histories" of European imperialism. We thus appear to know more about the *domestic* conflicts,

political coalitions, bureaucratic rivalries and the ideas that circulated within the East Coast of the United States over US foreign economic policy than we do about the missions, multinational enclaves, AID and other overseas operations of the American state and society in the making of postwar Europe and the third world.

[5] This approach builds on the analytical method and narrative strategy found in Robert Vitalis, *When Capitalists Collide: Business Conflict and the End of Empire in Egypt* (Berkeley: University of California Press, 1995).

[6] Robert Vitalis, "The Closing of the Arabian Oil Frontier and the Future of Saudi-American Relations," *Middle East Report* No. 204 (Fall 1997), pp.15-21.

[7] Kiren Aziz Chaudhry*, The Price of Wealth: Economies and Institutions in the Middle East* (Ithaca: Cornell University Press, 1997), p. 29.

[8] David M. Ricci, *The Tragedy of Political Science: Politics, Scholarship, and Democracy* (New Haven: Yale University Press, 1984).

[9] Peter Evans and John Stephens, "Studying Development Since the Sixties: The Emergence of a New Comparative Political Economy," *Theory and Society* 17 (1988), pp. 713-45; Paul Viotti and Mark Kauppi, *International Relations Theory: Realism, Pluralism, Globalism*, 2nd edition (New York: Macmillan, 1993).

[10] See Simon Davis, "Keeping the Americans in Line? Britain, the United States and Saudi Arabia, 1939-45," *Diplomacy and Statecraft* 8, 1 (March 1997), pp. 96-136; and Douglas Little, "Gideon's Band: America and the Middle East Since 1945," in Michael Hogan, ed., *America in the World: The Historiography of American Foreign Relations since 1941* (Cambridge: Cambridge University Press, 1995).

[11]For elaboration see J. B. Kelly, *Arabia, The Gulf and the West* (New York: Basic Books, 1980), pp. 258-259. Chaudhry, *Price of Wealth*, outfits the Aramco version of history in the up to date garb of political science's institutionalism. She dubs Saudi Arabia in the 1930s-'70s an "unusual...internal" case of state building, more like early modern Europe than "post-colonial states," imagined to have taken place "in relative isolation" from the international system. One is hard pressed to find even a passing reference to the actors, events and processes discussed here.

[12]Gabriel Kolko, *Confronting the Third World: United States Foreign Policy, 1945-1980* (New York: Pantheon, 1988); Louis and Robinson, "Imperialism of Decolonization."

[13]David Painter, *Oil and the American Century: The Political Economy of U.S. Foreign Oil Policy, 1941-1954* (Baltimore: Johns Hopkins University Press, 1986); Irvine Anderson, *Aramco the United States and Saudi Arabia: A Study of the Dynamics of Foreign Oil Policy 1933-1950* (Princeton: Princeton University Press, 1981). Painter draws the following conclusions "about the nature and development" of the U.S. political economy from his study. 1. The structure of the U.S. petroleum industry played a key role in determining the content and conduct of foreign oil policy. 2. Inter-industry divisions generally did not undermine industry influence.

3. Divisions among competing governing bureaucracies reflected broader regional and sectoral cleavages. 4. Corporate power molded both policy objectives and outcomes.(207-209). Anderson's major conclusion supports this account of "business privilege." Anderson describes American policy as the evolving "compromise" of competing interest groups in and out of government" where it is "abundantly clear" that "government agencies...were the weaker partners in the coalition." (204). Little's gloss on this literature would thus seem idiosyncratic "America's deepening involvement in Persian Gulf petroleum...resulted less from Aramco's aggressive lobbying than from shared State and Commerce department planning that converted the firm into an informal instrument of U.S. diplomacy." ("Gideon's Band," p. 466.)

[14]Reciprocally, the state system structured investors' competitive and sectoral conflicts but by and large diplomatic historians are not interested in the politics of markets. For the approaches to international political economy that shape the present account, see Franz Schurmann, *The Logic of World Power* (New York: Pantheon, 1974), Robert Cox, *Production, Power, and World Order* (New York: Columbia University Press, 1987), Susan Strange, *States and Markets*, Second Edition (London: Pinter Publishers, 1988), Simon Bromley, *American Hegemony and World Oil: The Industry, the State System and the World Economy* (Cambridge: Polity Press, 1991), Fred Halliday, *Rethinking International Relations* (London: MacMillan, 1994), Thomas Ferguson, *The Golden Rule: the Investment Theory of Party Competition and the Logic of Money-Driven Political Systems* (Chicago: University of Chicago Press, 1995), Gregory Nowell, *Mercantile States and the World Oil Cartel, 1900-1939* (Cornell: Cornell University Press, 1994), Alexander Wendt, "Constructing International Politics," *International Security* 20,1 (Summer 1995), 71-81, and Peter Trubowitz, *Defining the National Interest* (Chicago: University of Chicago Press, 1997).

[15] Louis and Robinson, "Imperialism of Decolonization," p. 483.

[16] Nowell, *Mercantile States*, p.

[17] The British Foreign Office acted under the assumption that they were pursuing treaty relations with two independent states, Najd and Hijaz. See Clive Leatherdale, *Britain and Saudi Arabia 1925-1939* (London: Frank Cass, 1983), p. 67.

[18] Joseph Kostiner , *The Making of Saudi Arabia 1916-1936: From Chieftaincy to Monarchical State* (New York: Oxford University Press, 1993), pp. 72-79, 100-106, 173-176, 187-191.

[19]Ibid., pp. 142-151.

[20]Robert Vitalis, "The New Deal in Egypt: The Rise of Anglo-American Commercial Competition in World War II and the Fall of Neocolonialism," *Diplomatic History*, 20, 2 (Spring 1996), pp. 211-240; Robert Vitalis and Steven Heydemann, "War, Keynesianism, and Colonialism: Explaining State-Market Relations in the Post-War Middle East," in Steven Heydemann, ed., *War and Society in the Middle East*

(Berkeley: University of California Press, 2000), forthcoming; Aaron David Miller, *Search for Security: Saudi Arabian Oil and American Foreign Policy, 1939-1949* (Chapel Hill: University of North Carolina Press, 1980), p. 183; Louis, *British Empire*, p. 175; Davis, "Keeping the Americans in Line?"

[21]Quoted in Davis, "Keeping the Americans in Line," p. 43 (original ms).

[22] The company originally organized in 1933 to operate in the Saudi field was named the California Arabian Standard Oil Company (Casoc) and commonly referred to as "Calarabian." Texaco took a 50% share in the venture in 1936. The firm was renamed Aramco in 1944, and I use the latter name here for convenience's sake. For background on the firm during the war years, see Anderson, *Aramco*.

[23]On Eddy, see Louis, *British Empire*, pp. 195-196. He repeats one of the great myths of the era that has Eddy resigning from government in protest of its pro-Zionist policies and joining Aramco as "consultant." But the brief biography that accompanies the finding aid to the William Eddy papers identifies him as a CIA agent and in his eulogy for Eddy, Terry Duce, Aramco's vice president recognized his contributions to both the company and the Company.

[24]Louis, *British Empire*, p. 191; Nathan Godfried, *Bridging the Gap Between Rich and Poor: American Economic Development Policy Toward the Arab East, 1942-1949* (New York: Greenwood Press, 1987).

[25]Nowell, *Mercantile States,* p. 6; for a useful summary of the various traditions of "business privilege" in the social sciences, see David Gibbs, *The Political Economy of Third World Intervention: Mines, Money and US Policy in the Congo Crisis* (Chicago: University of Chicago Press, 1991).

[26]"While recognizing the dangers of too instrumental a view of the US state, it does seem reasonable, both intuitively and historically, to accept that the state will prove responsive to the needs of...corporations, and not just in banana republics dominated by single companies... The question...becomes one not of necessity but of probability. The state does not *have* to protect and promote the profits of multinational corporations, but in the absence either of some massive counterpressure, or of the incapacity of the state to influence events...there is every likelihood that it will do so." Stephen Burman, *America in the Modern World: The Transcendence of United States Hegemony* (New York: Harvester Wheatsheaf, 1991), p. 31.

[27]"Much of modern politics is argument over what constitutes the national interest. There is no answer. The illusion of an answer responds more to an emotional need for rightness in the world than to any objective "interest," and it complicates historical analysis with normative judgments that are extrinsic to the relationship between the state and business interest groups." Nowell, *Mercantile States*, p. 11. For an empirical proof of this proposition, see Trubowitz, *Defining the National Interest.*

[28]Little, "Gideon's Band," p. 466. The transnationals and their clients fueled the wartime scare that America was running out of oil. Miller,

Search for Security, pp. 62-63, fn. 3-4, pp. 240-241. After the war, the national interest grounds suddenly shifted to support "the postwar economic recovery of Western Europe." Little, op. cit.

[29]Douglas Little, "Pipeline Politics: America, TAPLINE, and the Arabs, *Business History Review* 64 (Summer 1990), pp. 255-285: 259.

[30]Nowell, *Mercantile States*, p. 35. Nowell astutely identifies the blind spot that such writers share with muckrakers. "[B]usiness interests have one primary goal in their relationship with the state: to make money, perhaps by restricting market entry, perhaps by selling products to the state for any of a number of purposes. These rationales [i.e., businessmen's pursuit of wealth versus the more conventional "defense of the national interest"] are not opposed, they are orthogonal, and much confusion occurs because those who prove business influences in arms, strategy, or other policies seem to think they have necessarily shown a detriment to the public interest and those who defend the public interest also assume that autonomy from private sector influence is required in order to carry out good policy. This leads to a tremendous confusion over empirical consequences and normative judgments, and it is one reason this issue has gone around and around in political science analyses without ever reaching a conclusion." (p. 36)

[31]Miller, *Search for Security*, pp. 119-120; Louis, *British Empire*, p. 197.

[32]McGuire to Collado, Feb. 10, 1945, General Records of the Department of State, Record Group 59, 1945-1949, 890F.51/2-1045, National Archives, Washington, DC (hereafter cited as RG 59, with filing information); Collado to Clayton, Feb. .12, 1945, RG 59, 890F.51/2-1245; Clayton to Dunn, April 7 1945, RG 59, 890F.51/4-745; and McGuire to Collado, April 19, 1945, RG 59, 890F.51/4-1945.

[33]Moffett to Roosevelt, 16 April 1941 (FRUS 3, 624-25), quoted in Miller, *Search for Security*, p. 38.

[34]David Vogel, *Kindred Strangers: The Uneasy Relationship Between Politics and Business in America* (Princeton: Princeton University Press, 1996); Vitalis, *When Capitalists Collide*. "[T]oday the explicit sharing of wealth among privileged mercantile interests and the state has...disappeared in modern capitalism: the governing norms are "free markets." Firms cannot justify a privileged relationship with the state because it enriches them as well as the president or prime minister. Numerous excluded groups would protest. The norm has shifted to keeping the state away from favoritism, unless that favoritism can be justified as the "national interest." Nowell, *Mercantile States*, p. 11. "The veil of public-interest rhetoric is most opaque where the national security is invoked." p. 34.

[35]Louis, *British Empire*, p. 184; Davis, "Keeping the Americans in Line."

[36]"All that is necessary is for one state to assume expansionary intentions on the part of others... Indeed, it is not even necessary to be certain that the assumption is valid. It only has to be feasible.... Hence the curious phenomenon, characteristic of US foreign policy as well as that of other countries, in which aggressive intent is denied on their own part but it is

assumed to be true of other states, and expansionism is justified by the need to defend against the *possible* aggressive intent of others." Burman, *America*, p. 6.

[37]Vitalis, *When Capitalists Collide*. Louis's preoccupation with the "official mind" in *British Empire* leads him down the path of "mutual...misapprehension" (p. 183) and away from the more mundane real causes and effects. Davis, "Keeping the Americans in Line," is by far the most useful account of the Saudi case, and I have relied on it for much of this section, although the assumptions undergirding my analysis are quite different from his.

[38]Miller, *Search for Security*, p. 65; Davis, "Keeping the Americans in Line," pp. 29-30.

[39]US Congress, Senate, Special Committee Investigating the National Defense Program, *Petroleum Arrangements with Saudi Arabia, Part 41, Hearings before a Special Committee Investigating the National Defense Program*, 80th Congress, First Session, 1948, pp. 24707-24710.

[40]Miller, *Search for Security*, pp. 36-45.

[41]US Senate, *Petroleum Arrangements*, p. 25114.

[42]Davis, "Keeping the Americans in Line," pp. 32-33 (original ms).

[43]ibid., pp. 38, 44.

[44] Bennett Wall, *Growth in a Changing Environment: A History of Standard Oil Company (New Jersey), Exxon Corporation, 1950-1975* (New York: McGraw Hill, 1988), p. xxxvii; John Blair, *The Control of Oil* New York: Pantheon, 1976), p. 39.

[45]Kostiner, *Making of Saudi Arabia*; Joshua Teitelbaum, "The Rise and Fall of the Hashimite Kingdom of the Hijaz, 1916-1925: A Failure of State Formation in the Arab Peninsula," Ph.D. Diss., Tel Aviv University, 1996.

[46]Satterthwaite to Acheson, March 7, 1949; RG 59, 711.90F/2-2749; Childs to State, April 29, 1948, RG 59, 890F.20/4-2948; Davis, "Keeping the Americans in Line," pp. 46-49.

[47]Childs to State, Enclosure no. 3, Memorandum of Conversation with His Majesty, April 22, 1948, RG 59, 890F.20/4-2948.

[48]Philip C. McConnell, *Journal*, entry for July 16, 1945, Box 3, Philip C. McConnell Papers, 1937-1963, Hoover Institution Archives, Stanford, CA [hereafter cited as McConnell Papers with filing information]; Birge [Vice Counsel, Dhahran] to State, July 28, 1945, RG 59, 890F.5045/7-2845.

[49] Philip C. McConnell, *Journal*, April 2, 1945, Box 3, McConnell Papers.

[50]Dhahran to State, Aug. .3 1945, RG 59, 890F.5045/8-345; Seccombe, "Disgrace to American Enterprise," p. 247.

[51]Dhahran to State, Aug. 30, 1945, RG 59, 890F.5045/8-945. Contrast with the retrospective oral history paid for by Frank Jungers a retired Aramco president. When asked if Saudi employees resented American privileges, he replied "No, not really." Frank Jungers, "From Construction

Engineer to CEO and Chairman of Aramco, 1948-1978," an oral history conducted in 1992 by Carole Hicke, in *American Perspectives of Aramco, the Saudi-Arabian Oil-Producing Company, 1930s to 1980s*, Regional Oral History Office, Bancroft Library, University of California at Berkeley, 1995, p. 64.

[52]Jidda to State, Aug. 9, 1945, RG 59, 890F.5045/8-945.

[53]See for instance "Americans in Arabia," *Standard of California, Autumn Bulletin 1946*, pp. 8-9; Jidda to State, Oct. 25, 1948, RG 59, 890F.6363/10-2548.

[54]Dhahran to state, Aug. 30, 1945, RG 59, 890F.5045/8-945; D. Stefano [Italian Embassy, Washington] to Henry Villard [Deputy Director of Near Eastern and African Affairs] July 4, 1947, RG 59, 890F.504/7-447; "Where Yankees Misbehave, *Freedom* [Karachi], March 25, 1949, enclosed in Karachi to State, March 31, 1949, RG 59, 890F.6363/3-3149.

[55]Dhahran to State, July 28, 1945, RG 59, 890F.5045/7-2845; Dhahran to State, Sept. 15, 1945, RG 59, 890F.6363/9-1545.

[56]Jidda to State, Aug. 18, 1947, RG 59, 890F.6363/8-1847; Jon Parssinen and Kaizer Talib, "A Traditional Community and Modernization: Saudi Camp, Dhahran," *Journal of Architectural Education* 35, 3 (1982), pp. 14-17.

[57]*Standard of California Autumn Bulletin* 1946, p. 8.

[58]Aramco, Planning Committee, Meeting of January 5, 1944, "Government, Public and Employee Relations Problems," p 13, Box 3, McConnell Papers.

[59]Aramco, "Local Government Relations Department Program," pp. 3-6, Folder 19, Barger 1955 Paper, Box 4, Mulligan Papers.

[60]See for instance Olien and Olien, *Life in the Oil Fields*, p. 122; Indonesia Project, Center for International Studies, MIT, *Stanvac in Indonesia*, Sixth Case Study in a National Planning Association Series on United States Business Performance Abroad (Washington, DC: NPA, 1957), pp. 54-55, 83-90.

[61]Ian Seccombe and Richard Lawless, *Work Camps and Company Towns: Settlement Patterns and the Gulf Oil Industry*, University of Durham, Center for Middle Eastern and Islamic studies, Occasional Paper Series No. 36 (1987), pp. 75-76. The loan program was under discussion as an option in 1948. See Ms, Aramco, Relations Department, Monomonock Inn, Mountainhome, PA, Oct. 25, 1948 to October 28, 1948, "Pressure for Improved Housing," Folder 25, Relations Department, 1948, Box 5, Mulligan Papers.

[62] For full documentation see Robert Vitalis, "Aramco World: Business and Culture on the Arabian Oil Frontier," in Karen Merrill, ed., *The Modern Worlds of Business and Industry: Cultures, Technology, Labor* (Brepols, 1999), pp. 3-25.

[63] J. H. Bamberg, *The History of the British Petroleum Company, Volume 2, The Anglo-Iranian Years, 1928-1954* (Cambridge: Cambridge University Press, 1994), pp. 63-76.
Memorandum from Richard Sanger to Gordon Merriam, "Movement of USSR Toward Saudi Arabia," Feb. 27, 1948, RG 59, 890F.6363/2-2748.
[64]See Freda Kirchway to Clark Clifford, June 18, 1948, and enclosures, RG 59, 890F.6363/6-2248.
[65]William Eddy to Mary Eddy, letters dated July 8 and 15, Folder 3, William A Eddy 1948-1949, Box 6, William A. Eddy Papers, Seeley Mudd Library, Princeton University, Princeton, NJ [hereafter cited as Eddy Papers with filing information].
[66]Ms., marked confidential, "Arabian American Oil Co., Donations, Contributions, and Assistance to Saudi Arabia 1933-1970,"p. 46, Folder 10, Box 5, Mulligan Papers.
[67]Col. Harry Snyder, who served in Cairo during the war before his assignment to the kingdom, later became dean of the University of Petroleum and Minerals that Aramco built for the Saudis in Dhahran. "For the Oil Sheik, A Surprise Meeting, "*Arizona Republic*, October 28, 1978, Folder 11, Aramco-Misc. Bios, Box 2, Mulligan Papers.
[68]State to Jidda, Sept. 10, 1947, RG 59, 890F.796A/8-2047. Saudi officials apparently saw through the ruse. According to Halaby's report, "In an interview with the Secretary of the Foreign Office prior to the Palestine vote during which the American Minister described me as an "assistant to Col. Eddy", the Secretary remarked in Arabic to one of his confidants that "Halaby is probably coming here to do similar intelligence work." Halaby to Livingston Merchant, Mission to Saudi Arabia, Jan. 8, 1948, RG 59, 890F.796A/1-648.
[69]"Arabian American Oil Co., Donations, Contributions, and Assistance to Saudi Arabia 1933-1970,"p. 46, Folder 10, Box 5, Mulligan Papers. Hart was explicit about not letting Aramco know that Rentz was talking to him about firm's role. See Dhahran to State, August 10, 1949, RG 59, 890F.014/8-1049. On the border disputes (the Buraimi crisis), see John C. Wilkinson, *Arabia's Frontiers: The Story of Britain's Boundary Drawing in the Desert* (London: I.B. Tauris, 1991); and Tore Tingvold Petersen, "Anglo-American Rivalry in the Middle East: The Struggle for the Buraimi Oasis, 1952-1957," *International History Review* 14, 1 (February 1992), pp. 71-91.
[70]"In fact Saud appears to give less thought to the fair sex than does any other Saudi Prince over twelve years of age." See memorandum titled "Crown Prince Saud's Official Visit to America, Notes on the Period Monday, January 13, through Wednesday, January 22, 1947," RG 59, 890F.0011/2-747; Memorabilia, Prince Saud Luncheon, 1947, Folder 9, Box 18, Eddy Papers.
[71]contrast Anderson, *Aramco*, p. 112, with Robert Lacey, *The Kingdom: Arabia and the House of Sa`ud* (New York: Harcourt Brace Jovanovich, 1981), pp. 278-280. Saudi officials began to package their regular

requests for loans and subsidies this way around the time of Sa`ud's NY trip. On Aramco as a private Point IV mission see Editorial, "Point $ Without the Taxpayers." *Los Angeles Times*, March 20, 1951.

[72]Department of State Instruction, CA-3384, "Comment on the October-November 1953 Strike at the Arabian American Oil Company Installations in Saudi Arabia, " Dec. 29, 1953, RG59, 886A.062/12-2953. Duce was a master at this. Compare his testimony to Congress about the putative school "system," "one for Arabs, for the Americans too," *Petroleum Arrangements With Saudi Arabia*, p. 24963, and the company's in-house history of education efforts, e.g. Memo, dated Oct. 23, 1949, "Education and Arab Training Conference: Dhahran, Topic: Arab Trade Preparatory Schools," Folder 32, Box 5, Mulligan Papers. On the strike and the company's efforts to resist programs already in place elsewhere inside and outside the region, see Vitalis, "Aramco World." Committee on Foreign Affairs, House of Representatives, *The Future of U.S. Foreign Policy (Part I): Regional Issues*. Hearings before the CFA, HR, 103 Congress, First Session, Feb. 2,3,17,23,24 and March 18 1993 (Washington, DC: U.S. Government Printing Office, 1993).

[73]*Time* July 29, 1996.

[74]Steven Erlanger, "Americans in the Desert Now Wonder How Long They Will Stay," *New York Times*, June 29, 1996, p. 5

[75]Compare for instance Steven R. David, "Why the Third World Matters," *International Security* 14, 1 (1989), pp. 50-85; idem., "Why the Third World Still Matters," *International Security* 17, 3 (1992), pp. 127-159; Gregory F. Gause III, *Oil Monarchies: Domestic and Security Challenges in the Arab Gulf States* (New York: Council on Foreign Relations, 1994); Steven Van Evera, "The United States and the Third World: When to Intervene," In Kenneth Oye, et. al., eds., *Eagle in a New World* (New York: Harper Collins, 1992).

[76]Cumings, "Revising Postrevisionism;" Jeffry A. Frieden, ."A Pax on Both Their Houses: State, Society, and Social Science," *Contention*.3,3 (Spring 1994), p. 171.

[77]Recorded in a memorandum by Gary Owen, Aramco, Dhahran Sept. 6, 1947, and enclosed in James Terry Duce [Aramco] to Loy Henderson [Director, Near Eastern and African Affairs], Oct. 17, 1947, RG 59, 890F.515/10-1747.

[78]Foreign Office of Saudi Arabia, Circular Noted dated March 31, 1957, quoted in Jidda to State, RG 59, 886A.00/4-2057; Wilkinson, *Arabia's Frontiers*.

[79]Letter, Merriam to Sanelmann [Marines], May 21, 1947, RG 59, 890F.0159/5-2147.

[80]Lacey, *The Kingdom*, p. 292; CIA, "Arab States," SR-13, September 27, 1949, *CIA Research Reports, Middle East 1946-1976*, microfilm, University Publications of America, 1983.

[81]The theme was a constant in the company's public relations. Compare William Eddy, "Impact of an American Industry," August 13, 1952,

Folder 19, Box 15, Eddy Papers; Stegner, *Discovery*, introduction (vetted and edited by the company); and Jungers, introduction to oral history *American Perspectives of Aramco.*
[82]Eddy, "impact" and Jungers, *American Perspectives*.
[83]Friedrich Katz, *The Secret War in Mexico: Europe, the United States and the Mexican Revolution* (Chicago: University of Chicago Press, 1981); Brown, *Oil and Revolution*; James Henson, "United States Business Interests in the Structure of State-Society Relations in Mexico 1920-1935," Ph.D. Diss., University of Texas at Austin, 1996.
[84]William Cronon, George Miles and Jay Gitlin, *Under an Open Sky: Rethinking America's Western Past* (New York: W. W. Norton, 1992), p. 12. Limerick makes the connection explicit. See Patricia Nelson Limerick, "The Adventures of the Frontier in the Twentieth Century," in James R. Grossman, ed., *The Frontier in American Culture: Essays by Richard White and Patricia Nelson Limerick* (Berkeley: University of California Press, 1994), p. 75.
[85]For the analysis of the relationship between changing industrial structure and modalities of intervention in the third world see Jeffry A. Frieden, "Oil and the Evolution of US Policy Towards the Developing Areas, 1900-1950: An Essay in Interpretation," in R. W. Ferrier and A Fursenko, eds., *Oil in the World Economy* (London: Routledge, 1989).
[86]On sectoral differences, see Ferguson, *Golden Rule*. He argues that this factor explains the majors defection from the Republican Party to form part of the New Deal "coalition."