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Sex Objects?

> 'Forces as uncontrollable as the droughts which so often killed them in the past have destroyed the economy of their lives. Now it is not death, but degradation, which faces them.'
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> WILFRID THESIGER
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> Arabian Sands, *Longman, 1959, p. xvi*

> 'We have no illusion of achieving in a short space of time what took centuries in the West.'
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> GHAZI ALGOSAIBI
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> *Saudi Minister of Industry and Power*

The last frontier it may be, democratic it is not. Romance, idealism, and innocence should be abandoned at the starting-post of the money rush. There is one advantage: lawyers should also be forsaken. As Sharia law is flexible when applied to Saudis in conflict with foreigners, international attorneys are not much help. 'We find they rotate,' says the laconic Mr Weisbruch of Lockheed.

Saudi passion for secrecy, based on the paternalistic belief that 'leaders' know best, infects all those with whom they do business. Public discussion of any decision is discouraged until it becomes a *fait accompli*. The British even designated a 'memorandum of technical and economic co-operation' signed between the two governments as a classified document.

But, as befits leaders of the money rush, no secret is so well kept as the destiny of the millions of dollars of spare cash – estimated by Morgan Guaranty to be $100 billion by 1980. It is deposited throughout the world, wrapped in nominee names, with a privacy that defies accurate analysis[1] because Arab countries threaten to withdraw their funds at the slightest 'leak', and their influence has prevented too intense a probe by Senate investigating committees.

Politicians are terrified because they fear Arabs have built a $60 billion 'weapon' of short-term deposits in the West which could be withdrawn to precipitate a financial crisis. Banks are also unnerved. In spite of large profits on international operations – $836 million in 1977, double the previous year – they have taken short-term deposits which have then been lent over a long period to countries with weak economies and cautious attitudes towards repayment. Zaïre, for example, refuses to repay loans until new credit arrangements are agreed.

Ironically, the loans are made to counteract rising prices created by the money rush. In 1973, developing countries owed $40 billion. By 1977 it was $180 billion, nearly half of which comes from commercial banks nervous lest Arab cash is withdrawn for political reasons. But where would it go?

The Saudis in particular have an attitude to money which transcends histrionics. Their realism stretches from doing business with Jewish-run firms (one of Prince Mohammed's advisers described with some admiration how ruthless Arnold Weinstock, of GEC, had been in keeping the Prince's commission agreement below one per cent) to understanding that they have little alternative to depositing their money in American banks. The Germans discourage Arab investment, Switzerland charges negative interest rates, and Britain is considered too volatile. As an ambassador in Jidda explained, 'The threat of a money "weapon" is as empty as saying, "If you don't do as I say I will come along and slit my throat on your doorstep. It will make a frightful mess, and you will have to clean up afterwards." '

Dr Mohammed Jamjoon, director of economic research at the Saudi Arabian Monetary Agency (SAMA), equivalent to the central bank, admits, 'The increasing reserves are causing us problems. It is difficult to manage so much money.'

Lack of qualified people is a continual hindrance. Only one in eight can read Arabic. It took four months just to print 14000 copies of the annual report. 'Very frustrating, but you can't change human beings,' says Dr Jamjoom. 'It is impossible for us to develop as fast as our incomes. We need five years before everything will run smoothly.

'Of course, you can get things done if you know the right person. How do you know the right person? That is why there are bribes. Even then, it doesn't always work.'

However confusing the statistics, however debatable their accuracy, however empty the threats, the reality is still uncomfortable. Shaikh Zaki Yamani, known by his enemies as an Arabian Uncle Tom, was not mocked when he explained Saudi's refusal to raise oil prices more than five per cent in December 1976, against the wishes of other OPEC members. 'We are extremely worried about the economic situation of the West, about the possibility of a new recession, and about the situation in Britain, Italy, even France and some other nations. And we do not want another régime coming to power in France or Italy. The situation in Spain is not so healthy, either, and the same applies to Portugal.'[2]

As the decision was the first major acknowledgement of Saudi Arabia's determination to compete with Iran for influence in the Middle East, it was predictable that the Shah would be displeased. Moreover, he now saw an Arab as a personal rival for charismatic fame in the West, so he denounced Yamani as Washington's colonial appointee sent 'to pump all the oil of Saudi Arabia and give it to you freely'.

When I met Iran's then oil minister Jamshid Amouzegar in Tehran a few weeks later, he added, 'We are annoyed because Shaikh Yamani said he would agree to a ten per cent rise, then when he came to draw up the contracts he said his government had decided to freeze the price of oil. This surprised everyone. Why a change of heart within a week? He explained it was a political decision, and they wanted to exchange a price freeze for American support in solving the Israeli–Palestinian problem. The Americans denied that, so he then said he was worried that some Western countries might turn communist. That made us all laugh because it is far too simple a way of analysing the inherent problems of Italy and Great Britain. It could not have been the real reason. Later he said he was worried about the developing countries – but we had already agreed to give them increasing aid. So we are in the dark, and do not know his real reason.'

The attacks continued with increasing viciousness, so I later asked the Shah if he really believed Yamani was a 'colonial appointee'. He replied, 'Why not? Who benefited by the cheaper Saudi oil? The consumers did not. Who profited except American companies?'

'The point is that it was a decision taken by the Saudi government, and not by Yamani himself.'

'Well, we have to have a scapegoat. We can't name other people, so we name Yamani.'

No one wants to upset people whose development plan of $142 billion – twice that of Iran – is so lavish that newspapers applaud ministries for spending money. 'The success of the Transport Ministry is all the more important when one realizes that some other ministries and government agencies were as much as fifty per cent short of their targets,' said an editorial in the *Arab News* in June 1977. 'Of course, spending *per se* is hardly a criterion, but we assume that all the money is spent wisely.'

One airport alone – Jidda – is costing twenty times as much as the whole three-year development programme of neighbouring North Yemen which has about the same population as Saudi Arabia.[3] It is typical of the escalating ambitions created by the money rush. When first planned in 1964, it was going to cost $35 million. By 1970, this had been revised to $200 million, but the money was not available. Three years later, it had become a $300-million project: and by 1975 a new master plan was created making it the world's second largest civil engineering project, after the Washington subway, at a cost of $4·5 billion. A partner in one of the American consulting firms said, 'They decided they had built everything too small, and their attitude is, "If you think it should be big, build it bigger." That kind of thinking can't last.'

But whilst it does, there is every effort to encourage it, and the flag precedes trade with a regularity which keeps Saudi ministers to-ing and fro-ing for official welcomes at Riyadh airport, and further dislocates an already confused bureaucracy. No figures are available from the Saudi government, but American sources catalogue an impressive array of visitors for 1976: 23 heads of state, 19 prime ministers, 30 foreign ministers, and 78 other ministers.

An avalanche of consumer goods followed – $2000 worth for every Saudi – and began to create the most unwieldy pile of air freight in history as well as clogging quaysides which soon resembled mammoth, sand-covered, open-air warehouses. Nearly every unused site in Jidda was packed with brand-new cars from Detroit which, bearing in mind local driving conditions, was a more humane solution than insisting that dealers collected them. Eventually, though, something had to be done, and it was announced that goods not collected within a week would be auctioned.

Slapdash buildings appeared almost overnight to house these costly gewgaws and, as in Iran, there was soon inflation of 40 per cent a year, rent increases of 600 per cent in eighteen months, and the inevitable cement shortage as construction increased from $1 billion to $16 billion in three years. 'Most people were intoxicated with financial abundance, and thought they could buy anything,' said the deputy minister of planning, Mr Faisal Bashir.

'But it took us only six months to realize the problems, and we readjusted beautifully. It took Iran three and a half years to do the same thing. The single biggest cause of waste in Saudi Arabia is administrative inefficiency, but we have done wonders.'

Money does ease some problems, and when port congestion made cement so scarce that the black market price rose to $27 a bag, compared to a normal cost of $3·5, the government hired eight Sikorsky helicopters from Frank Carson of Perkasie, Pennsylvania, and forty Vietnam veteran pilots to work four-hour shifts from dawn to sundown for a year. They unloaded twelve million bags at a cost of $55 a ton, and the price dropped.

Stevedores from Chicago and dockers from Liverpool were also hired to help with decongestion, and the problem was soon overcome. By the middle of 1977, there was little waiting time at any of the 130 ship berths in the Gulf region. Nevertheless,