

## **Sharqieh Ltd. and Mineral-Exploration Projects in Arabia (1926-1960)**

**Maha Ali Alkhashil<sup>1</sup>**

### **Abstract**

*Sharqieh Ltd. was a foreign company opened its branch in Jeddah in 1926, where Harry St. J. Philby managed this branch. It was engaged in various commercial activities in the Arabian Peninsula until it was liquidated in 1960. Though the company had won Saudi government's confidence and succeeded in almost all of its projects, it failed to obtain any contracts for mineral extraction, despite continuous efforts in this regard. The study discusses the efforts exerted by the company to obtain concessions in mineral mining and investment and the reasons for their failure. The study has applied the historical analytical method and has derived information from various sources. The most important of these are Philby's papers in The Middle East Centre, Saint Antony College, Oxford, and UK National Archive documents, along with some documents archived in The King Abdulaziz Foundation in Riyadh.*

**Keywords:** H. St. John Philby; Sharqieh Ltd., Arabia; King Abdulaziz; mineral mining; concessions; Mitchel Cotts; great depression.

### **Introduction**

The Sharqieh Ltd. Jeddah branch was established in 1926 during a phase that witnessed many political and economic developments in Arabia. The launching of its business was at a time when serious efforts were being exerted by King Abdulaziz to develop the country and update its economy. The main goal of establishing Sharqieh Ltd. was to obtain contracts in the Arabian Peninsula in the fields of banking, petroleum, minerals, harbours and transportation services, in general, and in addition, for electricity, lighting, water plants and all matters related thereto. The company was the mediator between the Saudi Government and many foreign companies that were, at that time, seeking to get a chance to work in the Kingdom – whether through supplying products and services to it or by exploring its resources. Commercial activities related to equipment, spare parts, devices and accessories were added in the last years of its work, which added building and construction to its activities.

Harry St. J. Philby was appointed as manager of Sharqieh Ltd. in Jeddah, as of the date of its establishment. He is considered to have been the main factor of the company's business success and development, as he was well aware of the situation in the Arabian Peninsula and had significant contacts, especially with King Abdulaziz.

This study aims to examine one aspect of the activities of Sharqieh Ltd., which was its seeking to get mineral mining and investment concessions, as well as detailing its efforts in this regard, the targeted areas and the projects' results. The study also aims to discuss the reasons that have prevented the company from any contract in the field of mining, despite the great reputation gained by the company in Arabia. The study applied the historical analytical method, and it started with detailing the efforts exerted by Sharqieh Ltd. to obtain the mining concession as indicated in the first and second part. The third part includes an analysis of this information in a way that shows the conditions faced by Sharqieh Ltd. And their impacts on the company.

---

<sup>1</sup> History Department, Princess Nourah Bint Abdulrahman University, Riyadh, Saudi Arabia.

This study depends on information from various sources, such as: documents of Sharqieh Ltd. among Philby's papers in The Middle East Centre Archive (MECA), Saint Antony College, Oxford and UK National Archive (TNA) documents as well as some documents archived in The King Abdulaziz Foundation (KAF), in Riyadh. With regards to the previous studies, several books have dealt with Philby's life and his publications. However, about his business activities in Arabia and the company's establishment, Alkhashil have presented a paper in the 2nd International conference about King Abdulaziz's history, generally traced the company's establishment, commercial activity, challenging conditions and its achieved results during the time of its business activities in the Kingdom. However, the paper did not approach mineral projects.

The current study focuses mainly on the company and its Jeddah branch manager's efforts to obtain concessions in the field of mineral mining – whether inside the Kingdom or in Iraq – the reasons for their interest in this matter, the challenging conditions and the results. The study is divided into three sections that deal with: the beginning of Philby's interest in obtaining mineral concessions, then his efforts in this field after establishing the company and in focusing his efforts on two areas: Midian, in the north west kingdom of Saudi Arabia and Al Qa'ara, south west of Iraq, and finally discussing the results of the company's efforts.

### ***1. Philby and his Interest in Obtaining Mineral Concessions***

Philby's relations with Arabia began during WWI, as he participated in the first meeting between King Abdulaziz and Sir Percy Cox in Al Uqair Port at the end of 1915. The meeting culminated in the signing of the Treaty of Darin between King Abdulaziz and Great Britain. Then, Philby visited Arabia once again in 1917 on an official mission assigned to him by the British administration in Iraq, to meet King Abdulaziz in November 1917. Another mission followed in 1918. From that point onwards, Philby realized that there were coming transformations in the balance of power in Arabia. In November 1921, Philby moved to work in Jordan, as he was the Chief British Agent there. However, due to constant disputes with his government, he decided to resign in 1924<sup>1</sup>. His new source of earnings in the following years became commercial business in Arabia<sup>2</sup>.

As for Philby's heading into commercial business, he mentioned in his book *Arabian Days* a brief explanation about the reason for his move towards trading in Arabia, in particular. He noted that in the summer of 1924 he spent some days with his friend Remy Fisher, a businessman. They discussed many things, among which the issue of obtaining concessions in Hijaz, west of Arabia. Due to Philby's experience, Fisher asked him about the possibility of obtaining commercial and investment contracts in Arabia. He suggested the establishment of a company in the Arabian Peninsula to perform activities based on service and commercial contracts. This attracted Philby and made him see new business opportunities<sup>3</sup>.

At the end of October 1924, Philby had the chance to visit Jeddah. However, information about this visit is not enough to identify how this visit impacted Philby's commercial expectations, except for an indication by Mohammed AL Mana, a member of King Abdulaziz's office, in which he mentioned that Philby arrived in Jeddah in 1924 after he asked his government, through the British political office in Cairo, to allow him go to Hijaz to mediate between King Abdulaziz and Hashimites. However, the British authorities refused his request. Nonetheless, he reached Al Hijaz. Al Mana mentioned that Philby's mission did not achieve valuable results, but "His visit gave him the opportunity to have several meetings with Ibn Saud"<sup>4</sup>. Philby probably went to Hijaz with his conversation with Fisher in mind. However, the conditions he found at that time did not help him go further. He became sick and was sent to Aden, and then he went to England after his recovery.

The documents provide more information about developments in this regard from March 1925, and they manifest Philby's efforts to implement what he discussed with his friend. In March 1925, he had a contact with Midian Ltd., a company that had a previous interest in gaining a mineral concession in Hijaz, and of which he had known while he was working in Jordan<sup>5</sup>. At the same time, Philby had contacted one of his Arab friends in Jeddah, Mostafa Nadhir, who later became one of Philby's most important assistants in his commercial work. Nadhir's reply at the end of July 1925 confirms that Philby, at this stage, was interested in the economic conditions in Hijaz and looked to obtain commercial concessions in the field of minerals there<sup>6</sup>. Based on the information provided by Nadhir, on 15 August 1925, Philby sent a letter to King Ali Ibn AL Hussein (October 1924–December 1925) through a customs manager in Dhiba on the Red Sea coast, in the north west of Arabia, asking for a concession in Dhiba. The king's reply asked Philby to send a delegate to discuss the matter<sup>7</sup>.

In summer 1925, Fisher invited Philby to spend a vacation with him, and they again discussed the question of concessions and trade in Hijaz. It is probable that Philby shared the information he obtained from the Midian Company and his friend Mostafa Nadhir with Fisher. To put this plan into action, Fisher began to share his idea concerning the establishment of a company with some relevant British businessmen. Thus, Philby was sent to Jeddah in October 1925, at their expense, to investigate the possibility of obtaining a trading opportunity. He was the guest of his friend Mostafa Nadhir. In his book *Arabian Jubilee*, Philby mentioned that he went to Jeddah to mediate between King Abdulaziz and King Ali Ibn Hussein. While he mentioned the details of his meeting King Abdulaziz in Al Shumisi, near Mecca, he did not refer to a commercial company's establishment<sup>8</sup>. As for Hafez Wahba, one of King Abdulaziz's Arab consulates, he mentioned that when Philby met King Abdulaziz in Fall 1925, his major concern was "to get King Abdulaziz's promise to help him in future commercial business"<sup>9</sup>. Elizabeth Monroe confirmed this information, depending on Philby's diary. Sharqieh documents also stated that Philby was sent to the Arabia peninsula to study the situation in fall 1925 by his fellow businessmen who had been interested in the idea of establishing the company and gave them his recommendations<sup>10</sup>. Philby's commercial aims seemed to be known as a brief report issued from the Dutch consulate in Jeddah on 12 November 1925, stating that: "Philby is in Jeddah pretending to be a journalist, but actually he is here to look for concessions"<sup>11</sup>.

Philby reached Jeddah during the period when the ongoing dispute between King Abdulaziz and King Ali Ibn Al Hussein was at its maximum tension and was still not settled. When Philby met King Abdulaziz in Al Shumisi near Mecca on 28 November 1925, he told the king that he was delegated by a powerful commercial group seeking investment contracts in such sectors as construction of railways or mineral mining. The king replied that he was very busy with his war with Hashimites and could decide<sup>12</sup>. From Jeddah, Philby sent to his friends, telling them that the best way to accomplish their goals was to establish a general trade agency, for which the head office should be in Jeddah to deepen a long-term position in the state and perform its activity through providing the country with its developmental needs and enhancing its position through proving its capacity to meet the needs of the government and state, and this should give it priority for concessions<sup>13</sup>. Depending on this report, Sharqieh Ltd. was established on 20 November 1925, with capital of 25,000 sterling pounds, divided into fifty thousand shares<sup>14</sup>. It was called the "Company of Explorers and Merchants in the Near and Middle East," or what was known as Sharqieh Ltd. Its Board of Directors consisted of senior investors, who were British businessmen, such as: Lt.-Col. St. John Cooke, Sir Cyril Butler, Maj. Remy Fisher and S. Sandison De Bilinski<sup>15</sup>.

Philby left Jeddah by the end of November 1925, heading to Port Sudan, and he returned to Jeddah again on 30 December 1925, when Jeddah came under the rule of King Abdulaziz<sup>16</sup>. The British agency report in Jeddah, in February 1926, mentioned that Philby resumed his activities to obtain commercial concessions from Ibn Saud. The March report then stated that Philby left Jeddah for England at the beginning of March<sup>17</sup>. Subsequently, from January to February, Philby got the approval of King Abdulaziz to establish a branch of Sharqieh Ltd. in Jeddah as a general commercial agency that imports goods, needs and services of various types that could be sold. Philby reached London in March 1926 with this news for Fisher and partners to complete the financial arrangements regarding the launch of the company branch in Jeddah<sup>18</sup>.

The company Head Office was in Bait Derwish in the south west of Jeddah. Then, it was transferred in 1929 to Bait Al Baghdadi<sup>19</sup> and later, in 1933, to the Green Palace. From the time of its establishment, the company declared that its object was to obtain investment contracts in Arabia and to perform its activities through seeking opportunities in banking, railways, petroleum, minerals, transportation, harbours, electricity and water-infrastructure projects<sup>20</sup>. Philby was appointed representative of the company at Jeddah, and his main mission was to obtain investment contracts in services required for the development phase then ongoing in the Kingdom, as well as to import contracts for many goods being promoted there. Philby worked hard and used his experiences and relations in favour of the company's interests. The company succeeded in many areas, especially in trade and the governmental contracts it obtained, and Philby was one of the main factors making the company successful<sup>21</sup>.

Since the opening of the Jeddah branch, Sharqieh Ltd. depended on Philby's position and friendship with King Abdulaziz and his ability to understand what the King was thinking, as well as King Abdulaziz's appreciation of Philby and the company's quick response to the king's directions and developmental expectations in many matters that brought benefit to the Kingdom on the economic level<sup>22</sup>.

The company continued to work until October 1946, when the title of Sharqieh Ltd. was transferred to the Mitchel Cotts Company, which purchased all the company's shares and benefitted from the position of Sharqieh Ltd. and its reputation in the Kingdom. Mitchel Cotts worked in the kingdom until its liquidation, in 1960<sup>23</sup>.

## **2. Sharqieh Ltd. and the Search for Mining Concessions**

From the beginning, obtaining mining concessions was one of the company's aims. Philby was convinced with previous writings about minerals in North West Arabia, mainly the writing of Sir Richard Burton<sup>24</sup>. This information provided him with a great, optimistic view of the region and its future. Philby, with his knowledge and enthusiasm, became an important reference for the company's managers and other interested parties<sup>25</sup>. Sharqieh Ltd. wished to gain mining concessions to search for valuable minerals, especially gold. Therefore, Philby was interested in collecting many samples during his trips inside the kingdom. He hurried to send such samples for analysis abroad, to identify the existing minerals, and then he used this information to attract companies and individuals interested in investment in Arabia<sup>26</sup>. Moreover, Philby consistently reminded the Saudi authority that it was important to search for minerals, and this was repeated on many occasions with King Abdulaziz<sup>27</sup> or his deputy in Hijaz, Prince Faisal Ibn Abdulaziz<sup>28</sup>. As the Saudi government intended to search for its natural resources, the Ministry of Finance asked Sharqieh Ltd. to communicate with foreign businessmen who would want to invest in the Kingdom<sup>29</sup>. In this field, efforts of Sharqieh Ltd. focused on two important areas in which the company wished to obtain concessions: the first was in Midian, North West of the Kingdom, and the second was in Al Qa'ara, in Iraq.

### **2.1 Midian Area**

Burton visited the area in 1877, and in his book entitled *The Gold-mines of Midian and the Ruined Midianite Cities*, he confirmed the existence of important minerals there. Burton's results gave hope to many companies looking in the area. For his part, Philby believed in these results and never doubted them, up until the geologist survey of this area in the 1950s. Sharqieh Ltd. was highly interested in obtaining a mineral concession in Midian. However, it did not have enough money to invest. Therefore, it required finding a capable partner. To this end and after he became established in Jeddah, Philby contacted mining companies, such as Taylor & Sons Ltd. and Midian Co. Ltd., both of which had great faith in Philby and looked for his support<sup>30</sup>. He also contacted The Sinai Mining Co. Ltd., which was a British mining company working in Sinai, and to which Sharqieh Ltd. offered cooperation with a view of obtaining a mining concession in Midian. Nevertheless, the documents do not give us more details about communications between Sharqieh Ltd. and Taylor Co., while Sinai Mining Co. hesitated and consulted with the British Government, which, in turn, could not give the company any guarantees<sup>31</sup>.

As for Midian Ltd. it was a different matter, as both Sharqieh Ltd. and Midian had common interests, and they agreed to have a partnership with regard to obtaining a mining concession in June 1926. Midian Ltd. purchased four thousand shares from Sharqieh Ltd., and as it was stated, Sharqieh Ltd. should start, through Philby's efforts, to persuade King Abdulaziz to grant a mining concession to Midian Ltd. In return, Sharqieh Ltd. will get a share in Midian Ltd. as well as a commission for Philby<sup>32</sup>. This partnership had one target, which was mining projects in the Midian area. In this matter, it depended on Sharqieh Ltd. and its Jeddah branch manager, Philby<sup>33</sup>. However, he had not found a chance to present the project to King Abdulaziz, as the latter was engaged with important domestic issues from 1926 to 1929. Sharqieh Ltd. faced strong pressure from Midian Ltd. to introduce the proposal to the King. The economic crisis that struck the Kingdom, due to the Great Depression, which began in 1929, was a chance for Sharqieh Ltd. to accomplish its goal and obtain the concession through Midian Ltd. So, Philby advised the king repeatedly to start searching for minerals to improve the Kingdom's economy<sup>34</sup>. Meanwhile, Philby contacted Midian Ltd. in March 1931 to contact the king and offer its services to him, while Philby would facilitate the matter by convincing King Abdulaziz to grant them the concession.

The king replied that the Kingdom was ready to negotiate, only that any company requiring such a concession must send its representative<sup>35</sup> and was required to accept the Kingdom's conditions. The most important of these was that the company to be granted the concession must pay a cash license payment of no less than 50 thousand golden sterling pounds<sup>36</sup>. However, neither Midian nor its partner, Sharqieh Ltd., was able to afford such an amount at that time. Therefore, Philby suggested terminating the partnership with Midian Ltd.<sup>37</sup>. Then, he communicated with a British company working in Sudan, but his attempt did not succeed, as the requirements of this concession license exceeded the financial capacities of the company<sup>38</sup>.

While Sharqieh Ltd. looked for the concession, and although it could not afford it, Karl Twitchell succeeded in establishing a company in London called Saudi Arabia Mining Syndicate<sup>39</sup>, which aimed at obtaining the concession to search for valuable minerals from the Saudi government.

Therefore, Sharqieh Ltd. contacted Twitchell in October 1934 and offered to be a partner in his company, but Twitchell refused<sup>40</sup>. Saudi Mining Syndicate obtained a goldmining concession, but Sharqieh Ltd. did not stop seeking mining projects, as Philby remained convinced that there was a chance by focusing on the areas outside the mining syndicate's concessioned areas. Therefore, he kept trying to convince investors. One of them was a British businessman who wished to get large economic concessions in many fields, including mineral mining and related investments in Arabia. His name was Col. Etherton, and Philby encouraged him to apply for the concession. However, this attempt failed, because he did not have the full amount<sup>41</sup>. At the same time, Philby encouraged Lloyd Hamilton<sup>42</sup> to explore the same area. He promised to manage the affair through Sharqieh Ltd. for his benefit, in a satisfactory way, if he was interested in getting the concession<sup>43</sup>. Nevertheless, all these attempts failed, and the Saudi Mining Syndicate contract remained the only concession approved by the Saudi government in the mineral mining field at that time.

Philby left the kingdom in 1940, after the outbreak of WWII, and he was kept in England until the war ended. In 1945, he returned to Jeddah when negotiations started between Sharqieh Ltd. and Mitchel Cotts. These negotiations ended by Mitchel Cotts' purchasing all of the shares of Sharqieh Ltd. Philby then moved to Mitchel Cotts, which continued Sharqieh Ltd.'s work as a general commercial agency and benefitted from the Sharqieh Ltd. position in the Kingdom. Moreover, Philby worked for Mitchel Cotts as a consultant and mediator with the Saudi Government in cases concerning any governmental contracts. During Philby's working years in Mitchel Cotts, he was engaged in exploration journeys and had a new family life, while other managers ran the company. The company work grew and developed, as the Kingdom of Saudi Arabia witnessed economic development and growth in its needs of equipment and luxury requirements, which was an excellent opportunity for the company. The company added more commercial activities, such as building and road construction. In addition, the company opened a new branch office in Riyadh<sup>44</sup>.

Nevertheless, along with such developments, Philby did not forget his old passion regarding the existence of important minerals in Midian. In 1950, Philby travelled through the Kingdom's northwest, and after he returned, he sent a letter to Minister of Finance Abdulla Assulaimanin May 1951, talking about sulphur ore and its importance in industry. He mentioned that sulphur existed in Midian and indicated the spots where it was possible to find sulphur, which Burton had mentioned in his books. He was optimistic that this material would be a new source of fortune for the government. Philby suggested that Mitchel Cotts could arrange with a foreign minerals company to explore the area to ensure the existence of sulphur, with commercial quantities<sup>45</sup>. Saudi Ministry of Finance, which paid the trip expenses and company fees, approved this suggestion. The company, via its Cairo branch, got the aid of an Egyptian geology expert; the Chief Inspector of the research section, Mostafa Sadeq, who accompanied Philby in an exploration mission to Midian, starting in April 1952, and reached the Gulf of Aqaba<sup>46</sup>. The exploration mission impacted both the company and Philby.

As for Mitchel Cotts, after receiving Sadeq's report, it contacted a British company interested in the field of sulphur investments in July 1952. It provided the company with a copy of the Sadeq report concerning sulphur in the Kingdom, with a view that this company could search for any group interested in this matter that wished to enter into the project. Furthermore, in the case of an investor, Mitchel Cotts would make all arrangements necessary with the Saudi Government, in this regard<sup>47</sup>. However, the matters did not go as expected, as the company it addressed did not find the report encouraging. The preliminary examination revealed that there was only one area worth interest, and, if it was confirmed that there were commercial quantities of deposits, therein, this needed more examination<sup>48</sup>. Furthermore, the company mentioned that it contacted a company interested in sulphur and submitted the Sadeq report. However, they did not show interest or readiness for many reasons, the most important of which were the costliness of filtering sulphur components, the length and difficulty of transportation routes in these areas, the rarity of water and the lack of trained manpower. These facts obliged the company to reject the offer. However, if the sulphur market in the UK changed, or if the request for the product increased, then a detailed geological survey would be performed in the area<sup>49</sup>. The company concluded its letter to Philby that the Sadeq report was not encouraging for any investment company<sup>50</sup>.

As for Philby, this exploration trip gave him a chance to have another trip supported by the Saudi Government in the following year, and the American geologist R. Bogue accompanied him on a project to survey and prepare the first geologist maps to the Kingdom<sup>51</sup>. Philby's three trips to Midian area helped him to publish his book *The Land Midian* in 1952, along with an unpublished appendix entitled "The Mines of Midian," where he wrote his views and impressions of mineral deposits in the Midian as well as the details of these trips<sup>52</sup>. However, this trip and the report in which he wrote about it put an end to his contention that the Midian contained mineral fortunes that were worth the investment<sup>53</sup>.

## 2.2 Qa'ara in Iraq

Philby's search for gold mining concessions was not limited to Midian, as he had an offer from one of his Arab friends, Mohamed Al Bassam, a Nejd merchant who resided in Damascus. He offered a gold mining project in the Qa'ara area in south-west Iraq, which is an area that Al Bassam knew, had gold. Philby explained the details in one of his letters, as a treasure story. He talked about a post office worker who accidentally discovered a gold mine at the end of the 19<sup>th</sup> century, and then he kept the matter secret except from one of his friends working in the French consulate in Damascus. This news ultimately came to Al Bassam who, at that time, constantly passed through this area. He occasionally gathered various samples from the area. The matter remained hidden until Al Bassam decided to take a step forward in the gold mining project there<sup>54</sup>. He started a primary analysis of the previously collected samples, and the results revealed that there was gold and silver in different ratios. He wanted to go further in a formal way, so he got a license from the Iraqi government in 1927 to explore the area to find minerals, and then he renewed the same license for another year, at the end of 1928<sup>55</sup>. Obtaining the final concession license required submitting the analysis results that confirmed the existence of gold in commercial quantities<sup>56</sup>. As the samples he submitted did not prove this, he needed to collect additional samples.

Therefore, Philby prepared an exploration trip to the area in fall 1928<sup>57</sup>. More than reaching a decisive conclusion concerning the potential gold mining opportunity, the trip satisfied his curiosity in exploration and helped him to draw maps and collect information. The sample collected by Philby, however, did not produce satisfactory results concerning the quantity of raw gold<sup>58</sup>. Philby found himself facing Sharqieh Ltd., as the company did not agree to resume such a project, which had cost a lot. Likewise, the British Administration in Iraq also opposed Philby, as it did not accept his coming to Iraq and performing any activities there<sup>59</sup>. Philby continued to put pressure on Sharqieh Ltd. managers in London to continue the matter and make a partnership with Al Bassam<sup>60</sup>, based on Sharqieh Ltd., and to attempt to convince foreign investors to enter the project. It was as if Sharqieh Ltd. repeated the same scenarios regarding the Midian concession. An agreement was signed between Al Bassam, on the one side, and Sharqieh Ltd., as the party on the other side, in January 1929<sup>61</sup>. Sharqieh Ltd. exerted great efforts to attract investors, yet this was in vain, due to investors' lack of trust in the existence of gold in the area, and notably because the results of Al Bassam's samples were not sufficient to convince the investors. Thus, the results were contradictory and uncertain. Over the years, Al Bassam, who was interested in investing the mine and obtaining an investment concession from the Iraqi Government, pressured Philby, but Sharqieh Ltd. could not fulfil its obligation towards Al Bassam. Thus, Al Bassam asked to terminate the partnership in order to attempt to attract investors on his own after the Sharqieh Ltd. failure, and Philby agreed to this end<sup>62</sup>. In 1935, Al Bassam died. Upon his death, Sharqieh Ltd. was no better off, and therefore, it could do nothing for the project that brought nothing for Sharqieh Ltd<sup>63</sup>.

## 3. Results of the Sharqieh Ltd. Attempt to Obtain Mining Concessions

The Sharqieh Ltd. attempts to obtain mineral mining concessions failed. These results raised many questions, the most important of which is: Why did Sharqieh Ltd. fail to obtain its own concession? The information derived from the documents show that Sharqieh Ltd. did not have enough money to obtain concessions from the king, especially noting that the Saudi Government set licensing conditions requiring advance payment in gold. This leads to another question: Why did Sharqieh Ltd. not have the money? This was at the time when it managed and started numerous commercial projects and received many governmental contracts to establish developments and services for the country. However, though the company could obtain such contracts, most of these contracts were for deferred payment, due to the economic conditions in the Kingdom at that time, and as a result, the company suffered from liquid cash-flow shortages. Though the Saudi Government paid its debts partially, the debts were not fully paid until WWII ended.

The main problem facing Sharqieh Ltd. and many other companies then was that the international economic crisis started a short time after Sharqieh Ltd. commenced its activities in the Arabian Peninsula. Thus, it was normal to be affected by this and to suffer from a lack of cash. At the same time, and according to many sources – notably written by those who were contemporary to Philby, and especially the Arab consultants working with King Abdulaziz, such as Khaireddin Azzerekli and Hafez Wahba – it was frequently noted that the King “supported Philby’s company projects” and that he was “too sympathetic for him and his commercial works”<sup>64</sup>. Yet, why did Philby’s company not manage to obtain mineral mining concessions in the Kingdom? Why did Philby not manage to convince the king or any other companies? The logical explanation is that the friendship and passion of King Abdulaziz for Philby, and the mutual appreciation, had not affected the work, which was subjectively kept from matters of friendship and respect. The working principal between them was that concessions were related to the Kingdom’s conditions and interests. The king’s friendship with Philby did not mean that he would grant concessions for nothing. This was evidenced by the fact that Sharqieh Ltd. succeeded to obtain other contracts that the company was able to fulfil. As for mineral mining concessions, however, the company did not have enough money to finance them.

The second question is: Why did Philby not succeed to attract foreign investors to be partners with Sharqieh Ltd.? Despite the expected potential fortunes underground, the position Philby gained in the Kingdom and his friendship with King Abdulaziz, finding investment companies was not easy. He could not find a partner for mineral concessions. This was related to many factors, such as the conditions set by the Kingdom in regards to mineral concessions and specifically concerning the advanced payment and the kingdom’s share of the production, which were all great challenges facing companies. The Kingdom was greatly concerned to grant such concessions to the foreign companies in the context of helping the country from the then impacts of the economic crisis. It was difficult for many companies to fulfil these conditions, especially given that the area still needed to be explored to determine the raw materials’ quantity and type. This made such concessions a kind of adventure during the economic crisis. In addition, other costs awaited the company, which resulted from the nature of the country’s topographical and tough climate, difficult transport and a rarity of trained manpower.

All this imposed great expenses on any company even before commencing production and the start of anticipated profits. In addition, the potential quantities were not yet ascertained, and therefore, many companies hesitated to accept the Sharqieh Ltd. offer. In the same context, one of the Dutch documents referred to Philby’s failure to convince the companies, because he was neither a professional nor an expert in minerals, as he was only a businessman, and that is why he failed<sup>65</sup>. This contrasted with Twitchell, who was a successful and well-known geology expert, and this had its impact on others’ trust. Returning to Philby’s correspondences with the companies, it was clear that Philby, to persuade the companies, depended on Burton’s opinions or on the simple surface samples he picked during his various journeys in Arabia, which he sent for primary analysis with results that were unconvincing to the investors. Thus, he failed to convince the investors, due to weak evidence that could not withstand facing the scientific analysis of the samples.

### **Conclusion**

The study has presented the efforts exerted by Sharqieh Ltd. to obtain mineral mining concessions on two sides: Midian land and Qa'ara area. Despite its strong efforts to seek them, the company could not obtain any concession, except for supervising the primary examination to search for sulphur in Midian in 1952. Furthermore, the study has discussed the reasons for the failure of Sharqieh Ltd. to obtain any concessions and its inability to convince serious investors of the advantage of a partnership. Such failure, as with the mineral field, was not the case of all Sharqieh Ltd. activities, as it proved successful in commercial areas during that period and obtained many service contracts and achieved profits and a prestigious position, until it was liquidated in 1960.

### **Notes:**

1. Monroe, *Philby of Arabia*, 66-76, 114.
2. Philby, *Arabian Days*, 246.
3. Philby, *Arabian Days*, 247; Monroe: *Philby of Arabia*, 140.
4. AL Mana: *Arabia Unified*, 148.
5. MECA, Philby Collection, 5/2/13/2, Midian Ltd., From Loftus Brooke to Philby, 27 December 1923.; Philby, *Arabian Oil Ventures*, 3-7.; Monroe, *Philby of Arabia*. 14, 5.

6. *MECA*, Philby Collection, 5/2/12, From Mustafa Nadhir to Philby, 30 July 1925.
7. *KAF*, Dutch Collection, Record 16580, File 102, No. 580, Brief Report on the official correspondence relating to the annexation of Aqaba and Dhiba, August 29, 1925.
8. *The Jiddah Diaries*, vol.2, 351. *Ummulqura* (Saudi Newspaper in Arabic), No. 49, Year 2, 4 December 1925.;Philby:*Arabian Days*,247. ;Philby:*Arabian Jubilee*, p.76.
9. Wahba, *Fifty Years*, 177.
10. *TNA*, FO 371/11450, Memorandum From Sharqieh (Private and Confidential), Sep. 1926. Monroe, Philby of Arabia, 147.
11. *KAF*, Dutch Collection, Record 14780, File 102, No. 181.
12. Monroe: *Philby of Arabia*, 147.
13. *TNA*, FO 371/11450, Memorandum from Sharqieh (Private and Confidential), Sep. 1926.
14. *MECA*, Philby Collection, Business Section 5/2/1.; *TNA*, FO 371/11450, Memorandum (Sharqieh Ltd.) September 1926. Philby: *Arabian Days*,247.
15. *TNA*, FO 371/11450, Memorandum (Sharqieh Ltd.) September 1926. From Department of Overseas Trade, 30 October 1926.
16. *The Jiddah Diaries*, vol.2, 355.
17. *Ibid*, 373, 367, 382.
18. *TNA*, FO 371/11450, Memorandum (Sharqieh Ltd.) September 1926.; Philby:*Arabian Days*, 258.
19. Philby:*Arabian Days*, 258, 277.
20. *TNA*, FO 371/11450, Memorandum (Sharqieh Ltd.) September 1926.
21. *MECA*, Philby Collection, 5/3/1, Letter to Philby, 8 October 1946.;Wahba, *Fifty Years*, 177.
22. Al Mana, *Arabia Unified*, 152-154.
23. Alkhashil, "Sharqieh Ltd.", 1327.
24. Burton, *the Gold-mines of Midian*.
25. *MECA*, Philby Collection, 5/2/13/15, Ironstone Deposits, From Philby to Cooke, 7 January 1926.
26. *Ibid*, 5 September 1928. Letter to Philby, 21 January 1930.
27. Philby,*Arabian Days*, 290-291.; *Arabian Jubilee*, 175-178.;*Oil Ventures*, 74-76.
28. *The Jiddah Diaries*, vol.3, 121
29. *MECA*, Philby Collection, 5/2/13/18, From Finance Ministry to the Director of Sharqieh Ltd, 30 November 1929.;*The Jiddah Diaries*, vol.3, 103.
30. *MECA*, Philby Collection, 5/2/13/2, Midian Ltd., From Cree to Philby, 23 February 1926.
31. *TNA*, FO 371/11450, From Department of overseas Trade to Colonial Office, 30 October 1926.; Proposed Mining Operations in the Hijaz: December 1926.
32. *MECA*, Philby Collection, 5/2/13/2, Midian Ltd., 16 June 1926.; *Oil Ventures*.
33. *TNA*, FO 371/15298, Memorandum by Department of Overseas Trade, 23 July 1931.
34. Philby,*Arabian Days*, 290-291.;*Arabian Jubilee*, 175-178.;*Oil Ventures*, 74-76.
35. *MECA*, Philby Collection, 5/2/13/2, Midian Ltd., From Philby to Cree, 26 March 1931.;*TNA*, FO 371/15298, From Sir Andrew Ryan to HM's Secretary of State for Foreign Affairs, 16 June 1931.
36. *MECA*, Philby Collection, 5/2/13/2, Midian Ltd., From Philby to Bromhead, 29 March 1931.; From Bromhead to Philby, 14 & 23 April 1931.
37. *Ibid.*, From Philby to Edward, 17 May 1934.; 5/2/13/14/3, From Bromhead to Philby, 5 June 1934.; From Twitchell to Philby, 11 June 1934.
38. *MECA*, Philby Collection, 5/2/13/3, Gold Mining Concessions, 1933-1935.
39. *Ibid.*, 5/2/13/2, Midian Ltd., From Midian to Philby, 12 June 1931.
40. *Ibid.*, 5/2/13/14/3, From Twitchell to Philby, 11 June 1934.; From PhibytoTwitchell, 21 October 1934; From Twitchell to Philby, 25 October 1934.
41. *Ibid.*, 5/2/13/9, Colonel Etherton.;Philby, *Oil Venture*, p. 34-45.
42. An American who worked on behalf of Standard Oil of California Co. and signed the concession of oil with Saudi Government.
43. *MECA*, Philby Collection, 5/2/13/8/2, From Philby to Hamilton, 28 December 1935.
44. *Ibid.*, the introduction of Business Section (R5), 5/2/24, 5/3/14, 5/3/16.
45. *MECA*, Philby Collection, 5/3/13/8, Sulphur in Arabia (1951-1953), From Philby to Abdulla Assulaiman, 10 May 1951.

46. Ibid., The Sulphur and Iron Deposits of North Western Saudi Arabia, April 1952.
47. Ibid., From Mitchel Cotts Office, Cairo, to Mr. H. L. Burnie, London, 24 July 1952.
48. Ibid., From Mr. H. L. Burnie, London, to Mitchel Cotts Office, Cairo, 31 July 1952.
49. Ibid., From Ministry of Materials to Mr. H. L. Burnie, 15 October 1952.
50. Ibid., From Mr. H. L. Burnie, London, to Philby, 6 November 1952.
51. Philby: *The Land of Midian*, 5.; Philby, "The Land of Midian", 117-129.; Johnson Trent: *Saudi Arabia Investigation Report*, 1.
52. MECA, Philby Collection, Mines of Midian, unpublished manuscript.
53. In the following years, Iron ore was discovered there.
54. MECA, Philby Collection, 5/2/13/14, Qa'ara Gold Mine, Breif History of the Qa'ara Gold Discovery, by Philby, 14 November 1928.; From Philby to Cree, 14 November 1928.
55. Ibid., License granted to Mohammad Al Bassam, 16 May 1928. (This document is in Arabic).
56. Ibid., From Muhammad A. Bassam, Damascus, to Philby, 5 March 1928. (in Arabic).
57. Ibid., From Philby to Cree, 14 November 1928.
58. Ibid., From Philby to Professor Doherty, 15 November, 1928.
59. TNA, FO 371/13729, Visit of Mr. Philby to Iraq in connexion with alleged gold deposit, January 1912.; MECA, Philby Collection, 5/2/13/14, Qa'ara Gold Mine, From Philby to Mr. Dobbs, Bagdad, 9 December, 1928, ; From Cree, London, to Philby, 3 January 1929.
60. MECA, Philby Collection, 5/2/13/14, Qa'ara Gold Mine, From Cree, London, to Philby, 30 October 1929.
61. Ibid., From Philby to Cree, 13 January 1929.
62. Ibid., From Philby to Muhammad A. Bassam, 18 December 1933.
63. TNA, FO 371/18949, From British Consulate, Damascus to Sir Andrew Ryan, Jeddah, 13 March 1935.; From British Consulate, Damascus to Eastern Department, London, 24 April 1935.
64. Azzerekli, *The Arabian Peninsula*, vol. 3-4, 1361.; Wahba, *Fifty Years*, 177.
65. KAF, Dutch Collection, File 102, No. 2881, From the Dutch vice consul in Jeddah to the Dutch Foreign Minister, 27 September 1934.

## References

- ALMana, Mohammed (1982). *Arabia Unified*, London: Huchinson Benham.
- Alkhashil, Maha Ali. Sharqieh Ltd., The 2nd International conference about King Abdulaziz 's history, Riyadh 11-12 March 2015, 1327-1344.
- Azzerekli, Khaireddin (1985). *The Arabian Peninsula in King Abdulaziz's Reign*, vol. 3-4, Beirut: Dar Al Malayin.[in Arabic]
- Johnson, F. and Trent, V. A.: *Saudi Arabia Investigation Report*, United States Department of the Interior Geological Survey, 1972.Middle East Centre Archive. "*Philby Collection*"; Oxford: Middle East Centre; St. Antony College.
- Monroe, E. (1973). *Philby of Arabia*. London: Faber and Faber.
- Philby, H. St. J. (1955, Spring). The Land of Midian. *Middle East Journal*, 9 (2), 117-129.
- Philby, H. St. J. (1952). *The Land of Midian*. London: Ernest Benn.
- Philby, H. St. J.(1964). *Arabian Oil Ventures*. Washington D.C: The Middle East Institute.
- Philby, H. St. J. (1948). *Arabian Days*. London: Robert Hale Ltd.
- Philby, H. St. J.(1952) *Arabian Jubilee*. London: Robert Hale Ltd.
- The Jiddah Diaries* 1919-1940. (1990). vols.2-3, Archive Editions. The King Abdulaziz Foundation Archive. "Dutch Collection"; The King Abdulaziz Foundation; Riyadh, Saudi Arabia. The National Archives. "FO 371/11450; 371/15298; 371/13729; 371/18949"; Kew, United Kingdom.
- Wahba, Hafez. (2001). *Fifty Years in Arabia*. Cairo: Dar Al Afaq. [in Arabic].