

ARABIA PREPARING EXTENSIVE REFORM

New King Plans to Use Nation's Oil Income to Finance Social and Economic Measures

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Special to THE NEW YORK TIMES.

RIYADH, Saudi Arabia, Dec. 9.—Saudi Arabia is preparing to embark on an ambitious program for channeling her large oil revenues into productive economic and social reform.

More progressive and international-minded than his autocratic father, whom he succeeded last month, 51-year-old King Saud Ibn Abdul Aziz is intent on fashioning a governmental organization to enable his desert kingdom to make better use of the vast wealth that has flooded its treasury in the last six years.

The new monarch believes primary education must be expanded, roads built and agriculture put on a profitable basis. He is especially concerned with improving the ports of Jidda and Dammam and linking them with the first trans-Arabian railway. He envisages large-scale irrigation projects, a fertilizer plant, iron mines and modern telephone and radio communications throughout the country.

Reorganization Essential

Before any of these dreams can become realities, in the opinion of foreign observers with long experience here, Saudi Arabia must reorganize her government, adopt efficient budgetary procedures and curb the prodigal spending of the royal family and its entourage.

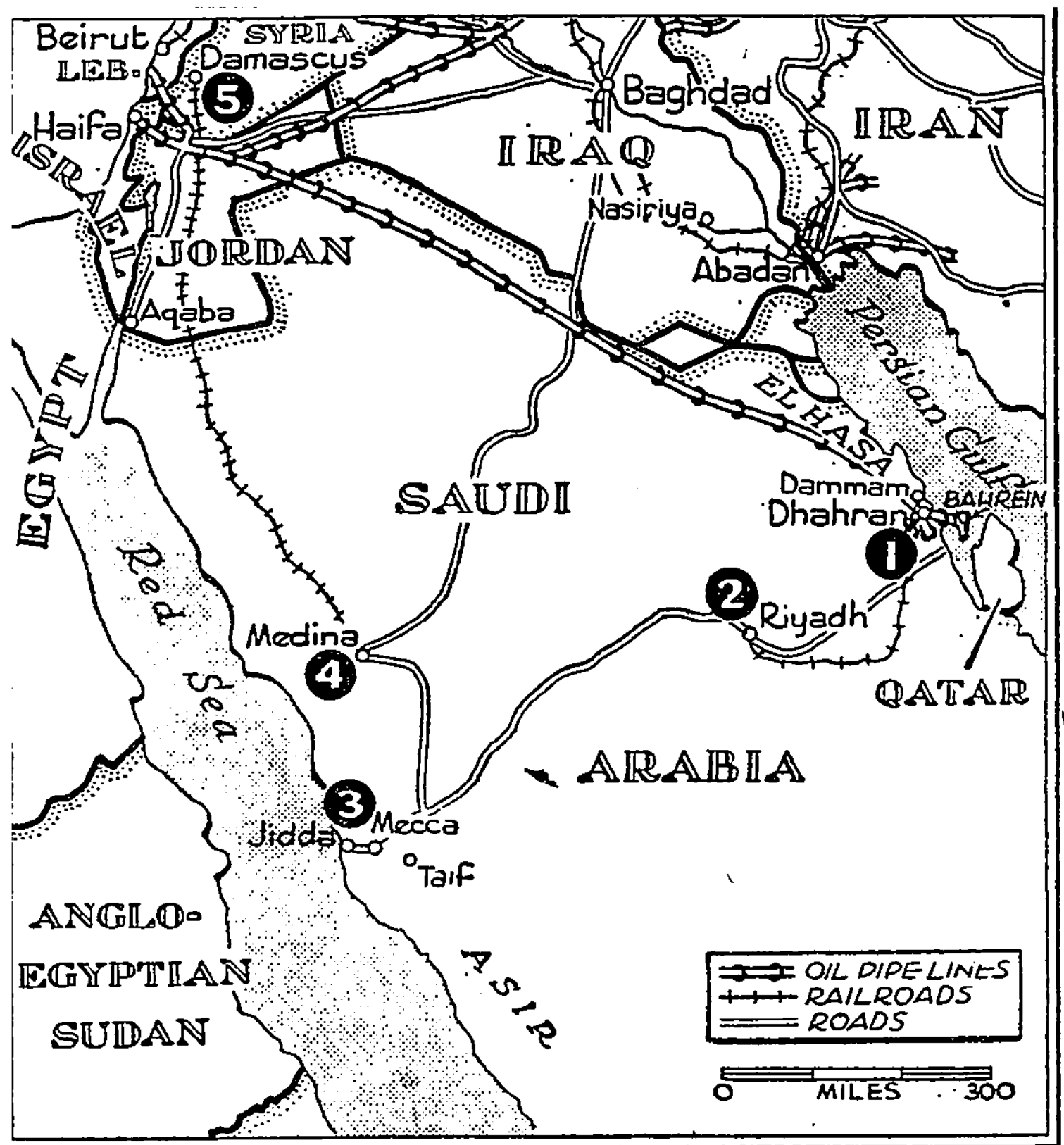
The last of these steps is likely to be the most difficult. The new king cannot undertake drastic reforms until he has consolidated his power by assuring himself of the loyalty of the 325 princes of the realm and the other male members of the House of Saud.

Yet it is this imposing retinue, including wives, concubines and servants and numbering almost 10,000 persons, that is the largest single item of governmental expenditure and the most serious drain on the exchequer. This year the royal household will absorb 16 per cent, or 96,000,000 riyals (about \$25,945,000) out of an expected revenue of 600,000,000 riyals, mostly from royalties paid Saudi Arabia by the Arabian American Oil Company.

Some observers assert Saud has abetted the practice of royal profligacy by his luxurious life at his new palace at Nasiriya, near here, with its swimming pool, scores of fountains and floodlit gardens of imported plants.

Nomad Tribes Subsidized

Subsidies used to keep the friendship of Arabia's hundreds of nomadic tribes are another heavy charge on government revenues.



The New York Times

Dec. 11, 1953

SAUDI ARABIA PLANS TO IMPROVE PORTS AND ROADS: King Saud Ibn has projected the development of Dammam and Dhahran (1) and extension of the railway now terminating at Riyadh (2) to Mecca (3). This line would be joined to a revived one running from Medina (4) to Damascus (5).

As the authority of the tribal sheikhs declines, the government at Riyadh is required to spend additional money organizing administrative services in the provinces and creating security forces to maintain order.

Saudi Arabia was for centuries a remote and neglected part of the Ottoman Empire under the nominal suzerainty of the Sultan in Constantinople [now Istanbul] but actually prey to the depredations of warring tribes. It did not emerge as a unified nation until the mid-1920's during the reign of the late King Ibn Saud.

Economic development today is concentrated in the Jidda-Mecca-Taif area, where road and port facilities are being improved to handle the annual pilgrim influx; in the great oil-producing El Hasa region in the east, centered at Dhahran and the port of Dammam, and the fertile Azir Province in the southwest. The United States Point Four mission and the United Nations Food and Agriculture Organization are mapping irrigation and community development projects in Azir Province that will affect 100,000 acres of farm land.

King Saud also is more sympathetic to the idea of reviving the old Damascus-Medina railroad, destroyed by Col. T. E. Lawrence's raiders during World War I, than was the late king, who feared the designs of the Hashemite dynasty in Jordan. Plans call for this railroad to connect with a projected extension of the Saudi railroad from its western terminus at Riyadh to Mecca and Jidda.

The country's primary means of

rapid transportation is the Saudi Arabian Airline, operated and maintained by Americans under a contract between the Saudi Arabian Government and Trans World Airlines. Twenty-three Dakotas, Bristol Wayfarers and DC-4's, including four aircraft reserved for the royal suite, link Riyadh, Dhahran, Jidda, Mecca and other Saudi Arabian airports with Cairo, Asmara, Eritrea, and Mafraq in Jordan.

Development projects this year cost between \$30,000,000 and \$40,000,000 in Saudi Arabia. Since adequate funds began to become available only with the upsurge of oil royalties in 1947, most projects are only in the planning stage today. The Saudi official most directly concerned with economic development is Abdul Aziz Al Sulaiman, 25-year-old son of the powerful Minister of Finance and Economy, Sheikh Abdullah Al Sulaiman. The young Sulaiman was trained at the Chase National Bank in New York.