Revising the "Deal":
"Revolving Doors" and the Origins of the U.S.-Saudi Security Partnership

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In 1943, President Roosevelt extended lend-lease assistance to Saudi Arabia, beginning one of the most controversial and enduring security partnerships in the world. Traditionally, scholars of international security have emphasized structural variables, such as security of supply, or domestic politics as the cause of the U.S.-Saudi security partnership. These explanations, however, are insufficient because they cannot explain the timing of U.S. interest in Saudi Arabia; the strategic and commercial importance of Saudi Arabia was not fully realized until the spring of 1943, after the lend-lease decision. How did the security of Saudi Arabia become a vital interest of the United States? Building on social network theory and the work of New Left historians, I argue that the social ties between the California-Arabian Standard Oil Company (CASOC) and the Roosevelt Administration shaped America's interest in Saudi Arabia. When institutional reforms in 1942 placed two CASOC managers in the administration, the company used their closeness to the decision-making process to secure a long-term U.S. presence that would protect their investment in the kingdom. They built support for lend-lease by shaping decisionmakers perceptions of Saudi Arabia and exploiting trust in the company's motives and expertise. To prove this, I leverage within-case variation and original, archival research of the lend-lease decision between 1941 and 1943. The conclusion considers implications for larger debates about "revolving doors" and U.S. foreign policy in the twenty-first century.

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In 1943, President Franklin D. Roosevelt extended lend-lease assistance to Saudi Arabia, beginning one of the most controversial and enduring security partnerships in world politics. The conventional wisdom among political scientists is that rising American power and the outbreak of World War II drove the United States into the Middle East. Saudi Arabia was a fragile kingdom with unparalleled oil reserves, and the United States was an emergent hegemon with significant wartime and post-war oil requirements. Through lend-lease, the United States provided Saudi Arabia with security in exchange for access to its oil: trucks, medical supplies, guns and ammunition, irrigation equipment, and enough silver to stabilize the Kingdom's economy.[1] Roosevelt' decision , generated a set of post-war security and political commitments that defined the trajectory U.S. foreign policy in the region, and displaced Great Britain as the preeminent power in the Middle East.

While the oil-for-security argument paints America's expansion into the Middle East as almost inevitable, historians have dismissed it, arguing that America's expansion was inconsistent and might not have been prevented by domestic politics. In 1941, Roosevelt rejected a similar attempt to extend lend-lease to Saudi Arabia because Saudi Arabia lied within Britain's sphere of influence, and in 1943, all signs suggested that lend-lease would fail. U.S. interests towards Saudi Arabia had not changed: the U.S. military still viewed Saudi Arabia as an area of British military responsibility and securing Middle Eastern oil did not become a major wartime and post-war concern of U.S. military planners until after the decision. Extending lend-lease to Saudi Arabia was also unpopular in the United States. In 1941, Roosevelt rejected lend-lease to avoid criticism from Midwest isolationists and domestic oil independents. The situation had also not changed in 1943, even with America's entrance into the war: each still opposed expansion into the Middle East.

[1] The Acting Secretary of State to the Minister in Egypt, 11 Mar. 1943, FRUS 1943, vol. 4, *The Near East and Africa* (Washington, 1963), 862-864;Memorandum of Conversation by the Chief of the Division of Near Eastern Affairs, 1 Nov. 1943, Idid., 848; The Appointed Minister Resident in Saudi Arabia to the Secretary of State, 9 Jul. 1943, Ibid. 873; The First Secretary of the British Embassy to the Chief of the Division of Near Eastern Affairs, 24 Nov. 1943, Ibid., 915

Given the perception of Britain's sphere of influence and domestic opposition to lend-lease, America's expansion into Saudi Arabia in 1943 is puzzling. Theoretically, this case has broad implications for the study of international politics: why do states expand abroad? Some scholars posit that overseas expansion is caused by strategic factors, like the search for wealth, power, and security, as well as by bureaucratic politics.[2] Others posit that overseas expansion is caused by electoral politics, specifically, that economic coalitions, classes, and business groups lobby elites and select leaders who will follow their preferred foreign policy.[3]

The lend-lease casts doubt on these explanations, suggesting that expansion might be driven by individual corporations rather than entire sectors, classes, or economic coalitions. Put differently, scholars should theorize variation in the power of individual corporations and not just the power of business as a collective body. I argue that the California-Arabian Standard Oil Company (CASOC)—an American corporation with investments in Saudi Arabia—used its social ties to key decisionmakers to encourage expansion into the Middle East. Specifically, in the period between 1941 and 1943, two company officials assumed key decision-making posts in the Department of State and Department of Interior. Through these officials, CASOC shaped perceptions of the region, and built support for lend-lease assistance to Saudi Arabia.

I proceed as follows. After providing a short background of U.S.-Saudi relations, I examine alternative explanations for U.S. foreign policy towards Saudi Arabia, showing that though each explanation is plausible, none provides a sufficient account of the lend-lease decision in 1943. I then develop a theoretical account that addresses the influence of "revolving doors" in foreign policy,

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[2] John J. Mearsheimer, *The Tragedy of Great Power Politics*, 1 edition (New York: W. W. Norton & Company, 2014); Christopher Layne, *The Peace of Illusions: American Grand Strategy from 1940 to the Present*, 1 edition (Cornell University Press, 2007); Dale C. Copeland, *Economic Interdependence and War* (Princeton University Press, 2014).

[3] For a general overview of the literature, see Stephen G. Brooks, "Economic Actors' Lobbying Influence on the Prospects for War and Peace," *International Organization* 67, no. 4 (October 2013): 865 fn. 11. Recent examples include Kevin Narizny, *The Political Economy of Grand Strategy* (Cornell University Press, 2007); Jonathan Kirshner, *Appeasing Bankers: Financial Caution on the Road to War* (Princeton University Press, 2007); Patrick J. McDonald, *The Invisible Hand of Peace* (Cambridge University Press Cambridge, 2009).

highlighting the difference between direct and indirect social ties to decisionmakers. I show how corporations can use direct social ties to overcome barriers to influence by exploiting trust in its motives and expertise, and shaping decisionmakers perceptions of foreign governments.

I analyze these hypotheses through the case of lend-lease to Saudi Arabia in 1943, drawing on original archival research. The lend-lease decision provides an excellent test of a theory of corporate power for three reasons. First, the case is a "most likely" case for conventional theories of overseas expansion. The decision to extend lend-lease to Saudi Arabia was made in the executive branch—where national security officials should be insulated from corporate pressures—and amidst a war, when wartime strategy, domestic production, and public opinion should weigh heavily on a president's decision-making. If a theory of corporate power is convincing here, then it is likely to be generalizable to other cases of expansion.[4] Furthermore, although I focus only on one case, the lend-lease case allows for within-case variation and process tracing of CASOC's lobbying in 1941 and 1943. If factors that alternative explanations highlight are constant throughout these two periods, then the alternative explanations are insufficient to explain the move to lend-lease in 1943.[5] Finally, although the United States pursued other policies to secure Saudi oil, lend-lease was the first and only policy that was successfully implemented at the time.

I conclude with a discussion of the implications of this case study for theory and policy. First, the central question of this paper—what causes overseas expansion—underpins theoretical debates in international relations. Since the 1970s, scholars of international security have treated the corporation as treated as a tool of statecraft and great power rivalry. Theoretically, the lend-lease case recasts the corporation as an independent actor in great power politics, and suggests that scholars should refine existing accounts of expansion to address variation in the power of individual corporations.

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[4] Jack S. Levy, "Case Studies: Types, Designs, and Logics of Inference," *Conflict Management and Peace Science* 25, no. 1 (2008): 12–13.
[5] Alexander L. George and Andrew Bennett, *Case Studies and Theory Development in the Social Sciences* (MIT Press, 2005), 166–67; Eric Grynaviski, *America's Middlemen: Power at the Edge of Empire* (Cambridge University Press, 2018), 56.

Explaining America's Interest in Saudi Arabia

The United States had no immediate interest in Saudi Arabia between 1900 and 1943. U.S. policymakers viewed the Middle East as a "sideshow"—an extension of European politics and colonial rivalries.[6] Moreover, they saw no need for the Middle East's main resource, oil. Compared to the vast reserves of the Western Hemisphere, Middle Eastern oil comprised a small percentage (5.5%) of world production, and oil experts were skeptical the region held more commercial quantities.[7] Even when the California-Arabian Standard Oil Company (CASOC) obtained a large concession to the eastern half of Saudi Arabia in 1933, the State Department refused "to indicate in advance the nature of the protection, if any, which it could accord" in the event the Kingdom collapsed. Nor did they believe the concession warranted official representation, feeling it best to "let matters stand as they now" until further developments.[8] American companies invested in the Middle East were effectively left on their own.

U.S. foreign policy in the Middle East began to change with the outbreak of World War II in 1941. The war plunged Saudi Arabia into a severe depression, leading King Ibn-Saud to demand CASOC provide $6 million to help him finance the government through the war.[9] The company found it impossible to finance the king, so it turned to Washington for assistance. Securing assistance from

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[6] Chad H. Parker, *Making the Desert Modern: Americans, Arabs, and Oil on the Saudi Frontier, 1933-1973* (University of Massachusetts Press, 2015), 4. For example, the State Department established the Division of Near Eastern Affairs (NE) in 1909 specifically to handle the entire diplomatic and consular correspondence between the European powers and their colonies in the region. See *Register of the Department of State*, 28 Dec. 1909, p. 18; Merriam to Murray, 10 Jun. 1933, Central Decimal Files, Saudi Arabia Petroleum File 1940-1944, 890F.6363 STANDARD OIL CO./15, RG 59, NARA.

[7] Irvine H. Anderson, *Aramco, the United States, and Saudi Arabia: A Study of the Dynamics of Foreign Oil Policy, 1933-1950* (Princeton University Press, 1981), 19. Lefroy to Tronchère, 12 Feb 1932, CFP 81.1/111, cited in Fitzgerald 1991, 449. For example, Standard Oil obtained the 1932 Bahrein concession from Gulf Oil because no other firms were willing to invest in the region. Edward Peter Fitzgerald, "The Iraq Petroleum Company, Standard Oil of California, and the Contest for Eastern Arabia, 1930-1933," *The International History Review* 13, no. 3 (1991): 464–65.

[8] Loomis to Merriam, 25 Oct. 1932, Central Decimal Files, Saudi Arabia Petroleum File 1940-1944, 890F.6363 STANDARD OIL CO./ 2-3, RG 59, NARA. For further correspondence on obtaining U.S. government support in these early years, see Merriam to Loomis, 27 Oct. 1932, Central Decimal Files, Saudi Arabia Petroleum File 1940-1944, 890F.6363 STANDARD OIL CO./2, RG 59, NARA; Morris to Hull, 23 Mar. 1937, Central Decimal Files, 125.0090F JEDDA/18, RG 59, NARA; Murray to Hull, 7 May 1937, Central Decimal Files, 125.0090F JEDDA/22, RG 59, NARA.

[9] The reasons for Saudi Arabia's financial difficulties are detailed in Anderson, *Aramco, the United States, and Saudi Arabia*, 29–31; Rachel Bronson, *Thicker Than Oil: America's Uneasy Partnership with Saudi Arabia*, 1 edition (Oxford ; New York: Oxford University Press, 2008), 14–15.

Washington was not an easy accomplishment.[10] Most officials in Washington still did not see a reason for Middle East involvement. When CASOC's lobbyists first approached President Roosevelt in 1941 with the idea of extending lend-lease aid to Saudi Arabia, the president responded that Saudi Arabia was "a little far afield for us."[11] Roosevelt's position did not change until 1943, when he reversed his earlier position, deeming the Kingdom "vital to the defense of the United States" and therefore eligible for geopolitical aid.[12]

International relations theorists offer three explanations for Roosevelt's *volte-face* on lend-lease aid to Saudi Arabia. The first explanations posits that World War II and rising American power pushed the United States into Saudi Arabia. The second explanation draws from general observations about the domestic politics of U.S. foreign policy during the 1940s. The third explanation holds that corporate power and "revolving doors" drove U.S. interest in Saudi Arabia.

"OIL-FOR-SECURITY"

The conventional wisdom is the "oil-for-security" explanation: World War II and American hegemony pushed the United States into Saudi Arabia. There are two versions of this argument. One version claims that fears of wartime and postwar oil shortages, brought on by rising military and domestic requirements of the war, focused Washington's attention on securing foreign oil reserves in Saudi Arabia.[13] A more structural version focuses on the transition from British to American global hegemony. Christopher Layne

[10] Davies to Ohliger, 2 Apr 1941, Hearings on Petroleum Arrangements with Saudi Arabia, Part 4 (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25391; Memorandum by W.S.S. Rodgers, 27 Apr. 1944, Ibid., 25381-25382.
[11] Memorandum by the Federal Loan Administrator to the Secretary of State, FRUS 1941, vol. 3, *British Commonwealth, The Near East, Africa*, 643
[12] Davies to Ohliger, 9 Oct 1941, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25427
[13] Stephen D. Krasner, *Defending the National Interest: Raw Materials Investments and U.S. Foreign Policy* (Princeton University Press, 1978), 188–206. G. John Ikenberry, *Reasons of State: Oil Politics and the Capacities of American Government* (Cornell University Press, 1988), 73. Even scholars who focus on electoral-politics believe that the lend-lease decision was motivated by strategic considerations. See, for example, Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy*, 1st Princeton Classic Ed (Princeton University Press, 1982), 155. I assess these arguments later.

claims that the United States sought to "wrest control of key raw materials sources—like Middle Eastern oil—from Britain" and "to replace Britain as the dominant regional player" in the Middle East.[14]

Although intuitive, this explanation is deeply problematic. First, concerns about domestic oil were not based on fact. Between 1941 and 1943, Middle Eastern oil production paled in comparison to domestic oil industry capacity and reserves in the Western Hemisphere.[15] The maximum rate at which domestic reserves could be extracted without permanently damaging a reservoir was almost a million barrels in excess of actual production—more than enough to supply the United States and its allies.[16] The closing off of the Mediterranean in 1940 also cut supply lines from the Middle East to Europe, severely slowing petroleum development in the area and making the Western Hemisphere a more stable source of supply for Allied operations.[17] Historian Aaron Miller explains that these factors were relatively constant between 1941 and 1943: "the emergence of Arabian oil as a key factor in war and postwar planning would have to await the changing political and strategic circumstances of 1943."[18] Indeed, it was not until the spring of 1943—well after the decision to extend lend-lease—that military reports became concerned

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[14] Layne, *The Peace of Illusions*, 47. Also see Jeffrey R. Macris, *The Politics and Security of the Gulf: Anglo-American Hegemony and the Shaping of a Region* (Routledge, 2010), 70.

[15] Aaron David Miller, *Search for Security: Saudi Arabian Oil and American Foreign Policy, 1939-1949* (University of North Carolina Press, 1980), 55.

[16] See U.S. Congress, *Wartime Petroleum Policy Under the Petroleum Administration for War* (Senate Special Committee Investigating Petroleum Resources: 79th Congress, 1945), 6, 64.

[17] To put this in perspective, in 1942, total Middle Eastern production was approximately 91, 302,000 barrels whereas Venezuela alone provided 147,625,000 (Miller, *Search for Security*, 54.). Also see, Thornburg to Feis, 13 Oct 1942, Office of the Petroleum Division 1940-1949, Box 3, Folder "General Middle East", RG 59, NARA; Statement of Secretary of Defense James Forrestal, 10 Jan. 1943, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25446-25450

[18] Miller, 33.Some American intelligence reports recognized the significance of Middle East oil for the *future* prosecution of the war, but most military planners recognized that in the event that foreign reserves were needed, wells in the Caribbean and South America offered a more accessible and secure source of supply than the Middle East. Moreover, these reports were more concerned how Middle Eastern oil could be valuable for Axis operations than for Allied operations. One study in July 1942 warned that "the acquisition of the undamaged Middle East oil fields would solve the problem of the Axis" ("Importance of Middle East Oil Industry to the United Nations," July 1942, Office of the Petroleum Division 1940-1949, Box 3, Folder "General Middle East", RG 59). By the time of the lend-lease decision, the axis threat to these supplies had receded (The Secretary of State to the Minister in Egypt, 28 Aug 1942, FRUS 1942, vol. 4, *The Near East and Africa* (Washington, 1963), 583)

about domestic oil shortages and reported the importance of securing Middle Eastern oil for post-war oil policy.[19]

Furthermore, if power and security explain the lend-lease decision, then United States should have been reluctant to cooperate with the British. Yet between 1941 and 1943, the War Department considered "Saudi Arabia as an area of British military responsibility" and refused to make unilateral commitments in the region.[20] Even when offered the possibility of gaining air transit rights in Saudi Arabia, the department favored cooperating with the British to obtain air transit rights, and had mixed views about offering assistance in light of the country's neutral status.[21]

Similarly, with the escalation of the war in Europe, fighting in the Pacific, and the opening of the North African campaign, the State Department was happy to support British hegemony in the region. Foreign service officers in the field complained that American policy toward the Middle East was far too passive.[22] In the spring of 1942, the American minister to Egypt complained "the fact is that the Middle East means the Mediterranean, it means the richest oil fields, it means the communications to India and China and on to Japan and it means the springboard for offensives against Germany and Italy which after all happen to be the spots which are germinating the hell to which we have been reduced. I ask again are we going to laugh off this area for, if so my job is merely one of discreet preparation for a possible

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[19] Even then, their concerns about domestic oil scarcity were over-exaggerated. See Roger J. Stern, "Oil Scarcity Ideology in US Foreign Policy, 1908–97," *Security Studies* 25, no. 2 (April 2, 2016): 214–57; Blake C. Clayton, *Market Madness: A Century of Oil Panics, Crises, and Crashes* (Oxford University Press, 2015), Ch. 3.

[20] Acting Secretary of State to the Minister in Egypt, 28 Aug 28, 1942, FRUS 1942, vol. 4, *The Near East and Africa* (Washington, 1963), 583; Miller, *Search for Security*, 53. For another example, see Acting Secretary of State to the Minister in Egypt, 15 Apr 1942, FRUS 1942, vol. 4, *The Near East and Africa* (Washington, 1963), 567. For an overview of U.S. military policy towards the Middle East, see Miller, 50–53.

[21] See the Acting Secretary of State to Kirk, 15 Apr. 1942, FRUS 1942, v4: 567-569

[22] For example, Roosevelt approved a permanent legation in Jedda and an agricultural mission to offer technical assistance to Ibn Saud in January 1942. The agricultural mission was devised with the British government as a means to help bolster Britain's position in the region and help quell anti-British feeling among Arab nationalists. See Twitchell to Hull, 15 May 1941, Central Decimal Files, Saudi Arabia General File 1940-1944, 890F.00/62, RG 59, NARA. The U.S. military also felt an agricultural mission could help it obtain air rights over Saudi Arabia. While interest in air transit rights raised the military's interest in lend-lease, ultimately, the department had mixed views about offering assistance in light of the country's neutral status and favored working in coordination with the British to obtain those rights. See the Acting Secretary of State to Kirk, 15 Apr. 1942, FRUS 1942, vol. 4, *The Near East and Africa* (Washington, 1963), 567-569

evacuation of Americans."[23] These complaints had little effect on U.S. policy. When Axis forces were advancing in late 1942, the State Department and the War Department refused to enter Saudi Arabia to assist British forces and defend CASOC's oil fields from Axis forces.[24]

In sum, the decision to extend lend-lease to Saudi Arabia is puzzling. Between 1941 and 1943, oil was not yet a major factor in U.S. military planning, and officials generally viewed Saudi Arabia as lying within Britain's sphere of influence. What changed this perception?

ELECTORAL POLITICS

Another explanation draws from general observations about the domestic politics of U.S. foreign policy during the 1940s. A significant literature on the role of domestic politics in foreign policy claims that domestic political coalitions affect the electoral benefits and costs to elected officials of choosing alternative foreign policies.[25] With regards to lend-lease as a general policy, Peter Trubowitz observes that "sectional politics defined the main lines of debate." President Roosevelt faced stiff resistance from Southern and Western isolationists, who accused big business of dragging the United States into World War I and attacked lend-lease as a step down the road towards American involvement in another world war.[26] Robert Keohane, while not focused specifically on lend-lease, stresses how divisions in the business community frustrated U.S. oil policy towards Saudi Arabia. Domestic oil independents, fearful of opening the American market to cheap foreign petroleum, prevented the United states from securing Saudi oil through direct government ownership or to achieve broader control over Middle Eastern

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[23] Kirk to Secretary of State, 16 Feb 1942, FRUS 1942, vol. 4, *The Near East and Africa* (Washington, 1963), 72-73
[24] Michael B. Stoff, *Oil, War, and American Security: The Search for a National Policy on Foreign Oil, 1941-1947* (New Haven: Yale University Press, 1980), 53–54.
[25] Some examples include, but are not limited to, David N. Gibbs, *The Political Economy of Third World Intervention: Mines, Money, and U.S. Policy in the Congo Crisis*, 1 edition (Chicago: University Of Chicago Press, 1991); Ronald W. Cox, *Power And Profits: U.S. Policy in Central America* (University Press of Kentucky, 1994); Jeffry A. Frieden, "International Investment and Colonial Control: A New Interpretation," *International Organization* 48, no. 4 (1994): 559–93; Narizny, *The Political Economy of Grand Strategy*; Patrick J. McDonald, *The Invisible Hand of Peace: Capitalism, the War Machine, and International Relations Theory* (Cambridge University Press, 2009).
[26] Peter Trubowitz, *Defining the National Interest: Conflict and Change in American Foreign Policy* (University of Chicago Press, 1998), 97.

petroleum through an Anglo-American Petroleum agreement," much to the chagrin of international oil companies like CASOC.[27]

Domestic political constraints are insufficient because they were largely the same in 1941 and 1943. There is evidence that the administration rejected CASOC's proposal in 1941, in part, because of Roosevelt's fear of provoking isolationists critics.[28] And yet, the political scene wasn't all that different in 1943. Public opinion towards the war was still mixed,[29] and domestic oil executives distrusted Roosevelt, particularly for his attempts to coordinate oil production during the war.[30] This makes it all the more puzzling why Roosevelt decided to bear the costs of extending lend-lease to Saudi Arabia in 1943, precisely when he needed support from isolationists and the domestic oil industry to carry out the war. The costs were significant. Isolationists were outraged that 'big oil' appeared to be pulling the strings in Washington,[31] and accused the United States of moving backwards, to the era of dollar diplomacy and economic imperialism.[32] Domestic oil producers accused the Administration of favoritism, placing immense pressure inside and outside of government for a Senate investigation into U.S. oil policy towards Saudi Arabia.[33] The opposition caused by the lend-lease decision made it increasingly difficult for the Administration to cooperate with domestic oil producers on U.S. oil policy going forward. What led him to bear these costs?

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[27] Keohane, *After Hegemony*, 155.
[28] See National Preparedness: A Report by the National Policy Council, 24 Jan 1941, Box 81, Chamber of Commerce Archives; Lend-Lease Bill: A Statement by the Board of Directors, Ibid. See Petroleum: Report of the National Resources Department Committee, 21 Sept 1941, Ibid.
[29] Adam J. Berinsky, *In Time of War: Understanding American Public Opinion from World War II to Iraq*, 1 edition (Chicago ; London: University of Chicago Press, 2009); Steven Casey, *Cautious Crusade: Franklin D. Roosevelt, American Public Opinion, and the War against Nazi Germany* (Oxford University Press, 2001).
[30] Clayton, *Market Madness*, 71.
[31] Jane Wyeth Knight, "Arabian Oil Deal Opposed: Plan to Seek Reserves Abroad Held Move Toward Imperialism," *New York Times*, 1944.
[32] "Oil and the Near East," *New York Times*, 1944. Also see "American Oil Policy," *New York Times*, 1944.
[33] Robert Vitalis, *America's Kingdom: Mythmaking on the Saudi Oil Frontier*, 1 edition (Stanford, Calif: Stanford University Press, 2006), 76–77.

CORPORATE POWER

A final explanation comes from New Left scholarship and focuses on CASOC's lobbying efforts within the Roosevelt administration.[34] The New Left was a movement of scholars from history, sociology, and political science between the 1950s and 1970s who took a revisionist view of American public policy. They argued that U.S. institutions since World War II centralized power into the hands of a small elite network of corporate, military, and political leaders.[35] Among New Left historians, CASOC drove the United States into Saudi Arabia. Gabriel Kolko, Benjamin Shawdran, and Louis Turner describe lend-lease as "the crowning achievement of almost three years of effort on the part of [CASOC]," suggesting that the company manipulated the United States for their own purposes.[36]

Generally speaking, State Department archives support the New Left interpretation. Aaron Miller's documents how CASOCs lobbyists fueled "almost hysterical views of British designs" within the State Department, in which Britain was attempting to seize control of the global petroleum trade from the United States.[37] Rex Casillas, likewise, finds that CASOC's lobbyists would continually "resurrect the British bogeyman" to push for lend-lease.[38] Neither finds evidence of an actual British plot against the United States.[39]

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[34] Gabriel Kolko, *The Politics of War: The World and United States Foreign Policy, 1943-1945* (Random House, 1968); Benjamin Shawdran, *The Middle East, Oil and the Great Powers*, Enlarged 3rd edition (New York: John Wiley & Sons Inc, 1973); Gerald D. Nash, *United States Oil Policy, 1890-1964: Business and Government in Twentieth Century America*, 1 edition (Pittsburgh, Pa.: University of Pittsburgh Press, 1968); Anthony Sampson, *The Seven Sisters: The Great Oil Companies & the World They Shaped* (New York: Viking, 1975); Mira Wilkins, *The Maturing of Multinational Enterprise: American Business Abroad from 1914 to 1970* (Harvard University Press, 1974).

[35] C. Wright Mills, *The Power Elite* (Oxford University Press, USA, 1956). Also see, Floyd Hunter, *Community Power Structure: A Study of Decision Makers* (Anchor Books, 1953); Ralph Miliband, *The State in Capitalist Society* (Merlin Press, 1969); G. William Domhoff, *Who Rules America?: Power and Politics, and Social Change* (McGraw-Hill, 1967).

[36] Shawdran, *The Middle East, Oil and the Great Powers*, 309. Also see Kolko, *The Politics of War*, 295–96; Louis Turner, *Oil Companies in the International System* (London: Allen & Unwin, 1978), 41.

[37] Miller, *Search for Security*, xv.

[38] Rex J. Casillas, *Oil and Diplomacy: The Evolution of American Foreign Policy in Saudi Arabia, 1933-1945* (Garland Pub., 1987), 199.

[39] British Foreign Office records reveal that Britain wanted to cooperate with the United States on post-war oil policy, and Saudi Arabia (Simon Davis, "Keeping the Americans in Line? Britain, the United States and Saudi Arabia, 1939–45: Inter-Allied Rivalry in the Middle East Revisited," *Diplomacy & Statecraft* 8, no. 1 (1997): 96–136). In a letter to Paul Alling in the Division of Near Eastern Affairs, one CASOC official admits : "In fairness to the British it must be pointed out that there does not seem to have been the slightest Inclination to gain political advantages out of this aid or to infringe upon the country's sovereignty or management any more than necessary to

The argument I make is largely consistent with the New Left interpretation but departs it in two keys ways. First, my account is more thorough than the New Left's interpretation of the lend-lease decision. Their analyses are drawn mostly from the final report of the 1944 Senate investigation into the lend-lease decision, which focused on CASOC's lobbying efforts in February.[40] State Department records and personal archives that have been opened since these accounts were formulated reveal that the proposal for extending lend-lease reemerged in the State Department almost a month prior to when CASOC's representatives descended on Washington.[41] Moreover, historian Linda Wills Qaimmaqami reveals in her dissertation "Max Thornburg and the Quest for a Corporate Foreign Oil Policy: An Experiment in Cooperation" that documents most relevant to CASOC's ties to State Department officials were removed from the official record—a bias that is implicit to almost every historical narrative of the lend-lease decision.[42] I tried to obtain these records but discovered that the records were burned in a family dispute. Luckily, her account of the records is thorough and comprehensive. By including these documents vis-à-vis her work, I provide the most comprehensive picture to date of how CASOC influenced decisionmakers' to believe domestic oil was scarce, that Britain could not be trusted, and to build support for lend-lease assistance.

Second, the New Left's account ignores interesting variation in CASOC's power and influence. One of most common problems with the New Left is that it "tends to produce generalizations" of the United States as a single entity bent on economic expansion; consequently, conflicts between the

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accomplish the purposes. The entire motive (for the present) seems to be one of helpfulness and of maintaining the stability of a friendly country. Nevertheless, it is still a pity that America is not contributing and collaborating and I hope that this can still be worked out in some; way. Britain is gaining, and deserves, a great deal of-good will that America should Justifiably be sharing in view of the aid that we are giving to Britain. Saudi Arab good will to America and Americans (and not necessarily at Britain's expense) is more important to America and Americans than to the British as Saudi Arabia stands unique as a large foreign field of American enterprise—enterprise that is a credit to Americans and will be of enormous ultimate benefit to this undeveloped country" (Lebkicher to Alling, "Notes on British Aid to Saudi Arabia," 22 May 1942, Central Decimal Files, Saudi Arabia Petroleum File 1940-1944, 890F.6363 STANDARD OIL/139).

[40] Testimony of Rodgers, 29 Oct 1947, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 24861, 24888.

[41] Anderson, *Aramco, the United States, and Saudi Arabia*; Miller, *Search for Security*; Bronson, *Thicker Than Oil*.

[42] Linda Wills Qaimmaqami, "Max Thornburg and the Quest for a Corporate Foreign Oil Policy: An Experiment in Cooperation" (Dissertation, 1986), 395, fn. 141.

corporate executives and government officials are completely ignored because CASOC and the Roosevelt administration are assumed to have common interests.[43] Not only is this a simplistic view of how foreign policy is made, but it also exaggerates the power of corporations in U.S. foreign policy. The New Left view does not answer why CASOC was able to secure lend-lease in 1943 but not in 1941.

Missing in the New Left's account is a theory of corporate power; put another way, it lacks a theoretical framework that explains under what conditions a corporation can encourage overseas expansion. It was changes in CASOC power that allowed the company to encourage U.S. expansion into the Middle East through lend-lease.

Linking Corporate Power to Overseas Expansion

I argue CASOC's social ties to key decision makers increased its power and influence within the Roosevelt Administration, allowing the company to manipulate perceptions and build support for lend-lease to Saudi Arabia. While scholars of political economy generally recognize the importance of "revolving doors" in shaping a firm's influence, the logic has not been systematically applied to matters of international security. Much of the attention has gone to the indirect influence of elite social networks, for example, how the "revolving door" between appointments in government, foundations, think tanks, universities, and major corporations socializes decisionmakers into a common worldview that bounds

[43] For example, Kolko, *The Politics of War*, xii–xiv. A similar criticism is made by Irvine H. Anderson, "Lend-Lease For Saudi Arabia: A Comment On Alternative Conceptualizations," *Diplomatic History* 3, no. 4 (1979): 413–23; Robert A. Divine, review of *Review of The Politics of War: The World and United States Foreign Policy, 1943-1945*, by Gabriel Kolko, *Political Science Quarterly* 85, no. 4 (1970): 650–53.

policy discussions.[44] Much less developed is how "revolving doors" can be used to directly influence foreign policy outcomes.[45]

Instead, political scientists often claim that the state is insulated from corporate pressures on issues of national security and is able to make autonomous decisions related to geopolitical aid, foreign intervention, and economic sanctions.[46] Some scholars claim that corporations have limited access to the national security bureaucracy. Many foreign policy issues require secrecy and quick responses, leading decision-making to occur behind closed-doors in the executive branch rather than within the legislative process, where decision-making is slow, public, and there are "a hundred times greater" points of access.[47] As Mark Peterson writes, while Congress "remains a highly permeable institution, the White House complex is open to groups largely by presidential invitation only."[48] Other scholars claim that

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[44] Notable examples include Bastiaan Van Apeldoorn and Naná de Graaff, *American Grand Strategy and Corporate Elite Networks: The Open Door since the End of the Cold War* (Abingdon, Oxon ; New York, NY: Routledge, 2015); Paul Porter, "Why American Grand Strategy Has Not Changed: Power, Habit, and the U.S. Foreign Policy Establishment," *International Security* 42, no. 4 (2018): 9–46; Christopher Layne, "The US Foreign Policy Establishment and Grand Strategy: How American Elites Obstruct Strategic Adjustment," *International Politics* 54 (2017): 260–75; Inderjeet Parmar, *Foundations of the American Century: The Ford, Carnegie, and Rockefeller Foundations in the Rise of American Power* (New York: Columbia University Press, 2012); G. William Domhoff, *Studying the Power Elite: Fifty Years of Who Rules America?* (Routledge, 2017).

[45] Apeldoorn and Graaff, *American Grand Strategy and Corporate Elite Networks*, 21–22, 244; Nicos Poulantzas, "The Problem of the Capitalist State," *New Left Review* 1, no. 58 (1969): 67–78; Michael Hardt and Antonio Negri, *Empire* (Harvard University Press, 2000), 304–10. Some exceptions to this include David N. Gibbs, *The Political Economy of Third World Intervention: Mines, Money, and U.S. Policy in the Congo Crisis*, 1 edition (Chicago: University Of Chicago Press, 1991); Ronald W. Cox, *Power And Profits: U.S. Policy in Central America* (University Press of Kentucky, 1994). However, they do not sufficiently unpack the logic behind these ties, treating "revolving doors" as transmission belts for corporate interests.

[46]Among IR scholars, this is reflected in the emphasis on the preferences of political elites and state leaders. See, for example , Michael Mastanduno, David A. Lake, and G. John Ikenberry, "Toward a Realist Theory of State Action," International Studies Quarterly 33, no. 4 (1989): 457–74, https://doi.org/10.2307/2600522; Daniel L. Byman and Kenneth M. Pollack, "Let Us Now Praise Great Men: Bringing the Statesman Back In," International Security 25, no. 4 (2001): 107–46; Keren Yarhi-Milo, "In the Eye of the Beholder How Leaders and Intelligence Communities Assess the Intentions of Adversaries," International Security 38, no. 1 (SUM 2013): 7-+, https://doi.org/10.1162/ISEC_a_00128; Elizabeth N. Saunders, "War and the Inner Circle: Democratic Elites and the Politics of Using Force," Security Studies 24, no. 3 (July 3, 2015): 466–501. It is also shared by scholars of American politics who claim that are "Two Presidencies": one for domestic policy and one for foreign policy. See, for example, Aaron Wildavsky, "The Two Presidencies," in The Two Presidencies: A Quarter Century Assessment, ed. Steven Shull, 1 edition (Chicago: Wadsworth Publishing, 1991), 11–25.

[47] Lester W. Milbrath, "Interest Groups and Foreign Policy," in Domestic Sources of Foreign Policy, ed. James N. Rosenau (New York: Free Press, 1967), 236. This argument is also made in Krasner, Defending the National Interest, 86–87.

[48] Mark A. Peterson, "Interest Mobilization and the Presidency," in The Politics Of Interests: Interest Groups Transformed, ed. Mark P. Petracca (Avalon Publishing, 1992), 224. Because accessing legislators is easier than accessing national security bureaucrats, foreign policy interests tend to target key congressional committees to

national security decision-makers are insulated from special interests because of their informational advantages on foreign policy. National security issues, in particular, tend to be complex and large in scope, requiring unique expertise and channels of information that the average person does not have. U.S. presidents, for example, have access to a large, specialized bureaucracy that is designed to gather intelligence and provide them with the best information about foreign affairs, much of which is restricted from Congress or the public.[49] This information advantage allows Presidents to "rally" public opinion and shape business preferences on matters of national security because they should know "what is best for the national interest."[50]

The argument that national security decision-making is relatively insulated from special interests should be treated with a degree of skepticism, however. First, the informational advantage behind the national security bureaucracy is not as strong as some assume. Studies of presidential decision-making and bureaucratic politics often describe how the hierarchical structure of foreign policy decision-making constrains the flow of information: "personnel on the way up the pyramid may make decisions about what is extraneous that differ from the president's needs. Staff may not share the presidential perspective, and may hide information that shows them in a bad light." In result, Andrew Ruveldidge explains, "the sea of information at the bottom of any hierarchical pyramid is reduced to a puddle at the top."[51] Organizational biases and competition among agencies can also foster distrust in the national security bureaucracy,

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exercise oversight on the executive branch. See Roger Z. George and Harvey Rishikof, The National Security Enterprise: Navigating the Labyrinth (Georgetown University Press, 2017), 329–31.

[49] Helen V. Milner and Dustin Tingley, Sailing the Water's Edge: The Domestic Politics of American Foreign Policy (Princeton University Press, 2015); Michael P. Colaresi, Democracy Declassified: The Secrecy Dilemma in National Security (Oxford University Press, 2014).

[50] On rallying public opinion, see Matthew Levendusky and Michael C. Horowitz, "When Backing Down Is the Right Decision: Partisanship, New Information, and Audience Costs," Journal of Politics 74, no. 2 (2012): 323–38; Miles M. Evers, Aleksandr Fisher, and Steven D. Schaaf, "Is There a Trump Effect? An Experiment on Political Polarization and Audience Costs," Perspectives on Politics 17, no. 2 (June 2019): 433–52, https://doi.org/10.1017/S1537592718003390. On shaping business preferences, see Krasner, Defending the National Interest, 81.

[51] Andrew Rudalevige, "The Structure of Leadership: Presidents, Hierarchies, and Information Flow," Presidential Studies Quarterly 35, no. 2 (June 1, 2005): 338–39, https://doi.org/10.1111/j.1741-5705.2005.00252.x. On presidential leadership and advisory processes, see Alexander L. George, Presidential Decision Making in Foreign Policy: The Effective Use of Information and Advice (Boulder, CO: Westview Press, 1980); Thomas Preston, The President and His Inner Circle: Leadership Style and the Advisory Process in Foreign Affairs (New York: Columbia University Press, 2001).

leading Presidents to confine decision-making to a few trusted advisors inside and outside the executive branch.[52] Consequently, corporations may not need to compete with the information advantages of the entire national security bureaucracy. They only need to shape the limited information held by a few key decisionmakers.

Second, informal links between business and government can provide access to national security decisionmakers.[53] Canonical work by Lenin, Hobbes, and Miliband emphasized personal relationships to policymakers as the primary means by which economic elites captured the state, and more recent scholarship has associated personal relationships with business influence in Latin America, Europe, the United States, and Russia.[54] These studies suggest that interpersonal relationships transcend the individual, bringing the organizations socially closer together and enabling what Yanjie Bian (1997) calls "unauthorized activities"—informal exchanges or transactions that may be constrained or prevented by formal institutions.[55] Policymakers will informally consult with their friends in the corporate community on the formulation of policy, and corporate elites will use these connections to informally consult with policymakers on behalf of their firm. Many corporations, of course, do not have such intimate

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[52] Amy Zegart, Flawed by Design: The Evolution of the CIA, JCS, and NSC, 1 edition (Stanford University Press, 2000), 44–51; Morton H. Halperin, Priscilla Clapp, and Arnold Kanter, Bureaucratic Politics and Foreign Policy (Brookings Institution Press, 1974), 18–19. For the bureaucratic model of foreign policy and how decisionmakers can distort information, see Graham Allison and Philip Zelikow, Essence of Decision: Explaining the Cuban Missile Crisis, 2nd ed. (Pearson, 1999); Robert J. Art, "Bureaucratic Politics and American Foreign Policy: A Critique," Policy Sciences 4, no. 4 (1973): 467–90; Irving Lester Janis, Groupthink: Psychological Studies of Policy Decisions and Fiascoes (Houghton Mifflin, 1983); Paul t'Hart, Eric K. Stern, and Bengt Sundelius, "Foreign Policymaking at the Top: Political Group Dynamics," in Beyond Groupthink: Political Group Dynamics and Foreign Policymaking, ed. Paul t'Hart, Eric K. Stern, and Bengt Sundelius (Ann Arbor: University of Michigan Press, n.d.), 3–34.

[53] In the United States, for example, almost two-thirds of all national security bureaucrats since the end of World War II have a background in business or corporate law. See Apeldoorn and Graaff, American Grand Strategy and Corporate Elite Networks.

[54] Lenin, Imperialism, the Highest Stage of Capitalism; Ralph Miliband, The State in Capitalist Society (Merlin Press, 1969); John Atkinson Hobson, Imperialism: A Study (J. Pott, 1902)). For more recent work, Tasha Fairfield, *Private Wealth and Public Revenue* (Cambridge University Press, 2015); Pepper D. Culpepper, *Quiet Politics and Business Power: Corporate Control in Europe and Japan* (New York: Cambridge University Press, 2010); G. William Domhoff, *The Power Elite and the State* (Routledge, 2017); David Szakonyi, "Businesspeople in Elected Office: Identifying Private Benefits from Firm-Level Returns," *American Political Science Review*, December 2017, 1–17, https://doi.org/10.1017/S0003055417000600.)

[55] Yanjie Bian, "Bringing Strong Ties Back in: Indirect Ties, Network Bridges, and Job Searches in China," *American Sociological Review* 62, no. 3 (1997): 366–85, https://doi.org/10.2307/2657311. For a discussion on how individual ties form an interorganizational tie, see Kevin L. Young, Tim Marple, and James Heilman, "Beyond the Revolving Door: Advocacy Behavior and Social Distance to Financial Regulators," Business and Politics 19, no. 2 (2017): 334–35.

connections with policymakers.[56] The point is not that the national security bureaucracy is accessible to everyone, but that we must be careful to specify how these ties make it accessible to some corporations and not others.

"REVOLVING DOORS" AND SOCIAL PROXIMITY

In order to understand how "revolving doors" provide power in international security, I turn to social network analysis. A key idea in social network analysis is that power is relational. Power depends not on the resources one "has," but rather on one's relationships—social ties–with other actors. Social ties are broadly conceived as any routine transaction to which two individuals or organizations "attach shared understandings, memories, forecasts, rights, and obligations."[57] Any durable transaction, whether it be an economic exchange, a political briefing, or a shared Netflix account, can constitute a social tie. These ties determine an actor's ability to gain access to, make connections with, or quickly spread resources to others' actors in a network, as well as what kinds of resources and actors they have access to.

Still, not all social ties are the same. Sociologists distinguish between two types of social ties: direct versus indirect ties, and strong versus weak ties. Direct ties are immediate transactions between two actors, like a marriage or a business contract. Indirect ties, by contrast, are transactions between two individuals who have no direct relation but are connected through a third person, such as a "friend-of-a-friend."[58] For example, a company may directly hire a lobbyist to represent them and that lobbyist may have worked with the Secretary of State, making the Secretary an indirect contact.[59] Social ties also vary in strength. Strong ties are reciprocal, frequent, and sustained over time, such as between close friends or longstanding business partners, whereas weak ties are rare, unidirectional, and fleeting, like among

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[56] Young, Marple, and Heilman, "Beyond the Revolving Door: Advocacy Behavior and Social Distance to Financial Regulators." Previous work in IR has focused on differences among sectors, but not individual firms. See, for example, Cox, *Power And Profits*; Gibbs, *The Political Economy of Third World Intervention*.
[57] Charles Tilly, Stories, Identities, and Political Change (Rowman & Littlefield, 2002), 80.
[58] Bian, "Bringing Strong Ties Back In."
[59] In American politics, these claims are often made, such as in Jordi Blanes i Vidal, Mirko Draca, and Christian Fons-Rosen, "Revolving Door Lobbyists," American Economic Review 102, no. 7 (December 2012): 3731–48, https://doi.org/10.1257/aer.102.7.3731.

acquaintances or casual buyers and sellers.[60] Importantly, the type of social tie may change overtime. An indirect tie can become a direct tie, for example, if that same lobbyist introduced the Secretary of State to their benefactors. Moreover, a weak tie can become a strong tie. Elites whose professions are linked, such as defense contractors and military advisors, often form shared understandings, skills, and interests that transcend their common material interests.[61]

These factors suggest that a corporation's political ties will affect whether they can encourage expansion. By political ties, I mean direct interpersonal relationships between corporate elites and decisionmakers, such as through common educational, social, or employment experiences, as well as indirect relationships through contract lobbyists or corporate elites from a sister entity.[62] In general, a company's political ties can take one of two forms. On one hand, a company's can be relatively close to the national security process, where a company has strong and direct ties to key decisionmakers. On the other hand, a company can be relatively distant to the national security process, where it has weak and indirect ties to key decisionmakers.[63] All things being equal, I argue that it is easier for a corporation encourage expansion when they are close to the national security process.

Close corporations have two features that enable them to influence decisionmakers and encourage expansion. First, their ability to disseminate information efficiently can influence decisionmakers' perception and beliefs about foreign affairs. Recall that the national security bureaucracy can be an

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[60] Mark S. Granovetter, "The Strength of Weak Ties," American Journal of Sociology 78, no. 6 (1973): 1360–1380; Peter V. Marsden and Karen E. Campbell, "Reflections on Conceptualizing and Measuring Tie Strength," Social Forces 91, no. 1 (September 1, 2012): 17–23, https://doi.org/10.1093/sf/sos112.

[61] Andrew Abbott, "Linked Ecologies: States and Universities as Environments for Professions," Sociological Theory 23, no. 3 (2005): 245–74; Gordon Adams, The Politics of Defense Contracting: The Iron Triangle, Worn (Transaction Publishers, 1981).

[62] By corporate elite, I mean anyone with major influence over the investment decisions and policies of a company, such as important stockholders, members of the board of directors, and top managers. Decisionmakers, to reiterate, include anyone with access to the national security apparatus and information sources, and who are seen as authoritative in that domain, such as high-level bureaucrats, state leaders, military leaders, and the legislators of key committees. For these definitions, see respectively Michael Useem, "Corporations and the Corporate Elite," Annual Review of Sociology 6 (1980): 41–77; Saunders, "War and the Inner Circle," 468.

[63] Key decisionmakers is meant to capture the idea that some decisionmakers matter more than others in different administrations, since as I suggested before, some may be trusted advisors whereas others may not. Certainly, some corporate elites may also matter more than others, depending on how the company is organized. Given that who matters is specific to different contexts, a company's political ties should be carefully assessed on a case-by-case basis.

inefficient source of information. Since close corporations have many direct ties to the national security bureaucracy, they can disseminate information to decisionmakers quicker and with more control than if they relied on contract lobbyists or formal channels of communication.[64] They can also reach a wider audience. Through their direct connections, close corporations can indirectly spread information to other decisionmakers that they are disconnected from, oftentimes without disclosing their involvement; for instance, former National Security Advisor Michael Flynn pushed a foreign assistance project onto National Security Council staffers without disclosing he had been paid by and in contact with the plan's backers.[65] This capacity for greater efficiency provides opportunities for close corporations to "move-first" on an issue, defining the stakes of an issue before other bureaucrats can, or framing the interests and intentions of foreign parties in ways that suit their interests. This strategy occurred in nearly every case of investment protection throughout this book, where close corporations staked an investment dispute on their home-country's international status or claimed a foreign government was a threat to its national security.

Second, the trust generated from strong, personal ties is useful for close corporations to gain support in their policy proposals. Sociological theory emphasizes the role of personal ties in generating trust. Strong interpersonal ties reduce the costs of evaluating the credibility of information and help ameliorate fears of being cheated; I am more likely to trust the word of a mechanic I know than one I don't.[66] Thus, close corporations may be perceived as having "inside knowledge" and technical expertise

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[64] Informal ties tend to move information faster, and more efficiently than formal ties. See, for example, Suzanne M. Crampton, John W. Hodge, and Jitendra M. Mishra, "The Informal Communication Network: Factors Influencing Grapevine Activity," Public Personnel Management 27, no. 4 (1998): 569–84; Granovetter, "The Strength of Weak Ties."

[65] Paul R. Milgrom, Douglass C. North, and Barry R. Weingast, "The Role of Institutions in the Revival of Trade: The Law Merchant, Private Judges, and the Champagne Fairs," Economics & Politics 2, no. 1 (March 1, 1990): 1–23, https://doi.org/10.1111/j.1468-0343.1990.tb00020.x; Susan Rose-Ackerman, Corruption: A Study in Political Economy (New York: Academic Press, 1978). For the example, see David A. Graham, "The Expanding Investigation Into Michael Flynn," The Atlantic, September 13, 2017, https://www.theatlantic.com/politics/archive/2017/09/the-surprising-scope-of-michael-flynns-dubious-business-deals/539733/.

[66] Miller McPherson, Lynn Smith-Lovin, and James M. Cook, "Birds of a Feather: Homophily in Social Networks," *Annual Review of Sociology* 27, no. 1 (2001): 428–29, 435, https://doi.org/10.1146/annurev.soc.27.1.415; David Knoke, *Political Networks: The Structural Perspective* (Cambridge University Press, 1994); James S. Coleman, "Social Capital in the Creation of Human Capital," *American Journal of Sociology* 94 (1988): S95–S120; Damon

about foreign territories, helping them to frame their policies as congruent with the country's national security interests, whereas they might otherwise be perceived as purely self-interested.[67] Moreover, strong personal ties can help close corporations gain the trust of decisionmakers that they are otherwise disconnected from. A person setting up a blind-date between a friend and a colleague, for example, may provide advice to their friend about what topics to avoid for the date to go well.[68] The same logic applies here. A decisionmaker with corporate ties may arrange meetings with other decisionmakers on behalf of the company, and provide advice to them how to convey a harmony of interests so that their proposals are well-received. In doing so, their connections may cultivate a reputation of themselves as being a neutral party, such as by promising to recuse oneself from the meetings or severe ties with the company.[69]

Of course, there are conditions under which indirect ties—ties through an intermediary, such as a contract-lobbyist or someone from a sister firm—may be sufficient to influence what policies get implemented. The first condition is that the tie between the intermediary and the corporation must be strong. Because distant corporations do not have direct ties to the national security bureaucracy, they have less control and awareness over what information the intermediary transmits and to whom. This information asymmetry gives room for intermediaries to operate and spin: they may miscommunicate information to policymakers, or have competing interests and beliefs that lead them to shirk their responsibilities and take credit for small policy victories. Thus, there must be sufficient trust and complementary interests between the intermediary and the corporation, often made through repeated interactions, to ensure the smooth flow of information.[70] Second, the intermediary must also have strong

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Centola and Michael Macy, "Complex Contagions and the Weakness of Long Ties," *American Journal of Sociology* 113, no. 3 (2007): 702–34, https://doi.org/10.1086/521848.

[67] A similar point is made in Fairfield, Private Wealth and Public Revenue, 39.

[68] Raymond L Paquin and Jennifer Howard-Grenville, "Blind Dates and Arranged Marriages: Longitudinal Processes of Network Orchestration," Organization Studies 34, no. 11 (November 1, 2013): 1623–53, https://doi.org/10.1177/0170840612470230.

[69] Milgrom, North, and Weingast, "The Role of Institutions in the Revival of Trade"; Rose-Ackerman, Corruption.

[70] Lee Drutman, The Business of America Is Lobbying: How Corporations Became Politicized and Politics Became More Corporate (Oxford University Press, 2015), 165–67; Rogan Kersh, "State Autonomy & Civil Society: The Lobbyist Connection," Critical Review 14, no. 2–3 (January 1, 2000): 237–58, https://doi.org/10.1080/08913810008443559; John C. Scott, The Social Process of Lobbying: Cooperation or Collusion?, 1 edition (New York: Routledge, 2014).

ties to key decisionmakers. Sociological research shows that individuals often use trusted third-parties as proxies for assessing the trustworthiness of other actors; for instance, job recruiters use professional references to evaluate the reliability of a potential hire.[71] Similarly, decisionmakers may decide to trust a corporation they don't know on the word of an intermediary who they know and trust. Intermediaries may work to develop a reputation as being an honest source of information, or as having relevant expertise on foreign affairs. Much like corporations, however, not all intermediaries are cut from the same cloth: some have strong personal ties, interests, and experiences that others don't. [72] Given the specificity of indirect ties to the individual, whether indirect ties are a sufficient source of power must be evaluated on a case-by-case basis.

A few factors may affect a corporation's closeness. One factor is money, as large, wealthy corporations can expend money to recruit policymakers leaving government, as well as to hire expensive lobbying teams that maintain strong connections to decisionmakers. Another factor that can increase a company's closeness is a reputation for revolving doors. A company can gain a reputation for hiring people with similar career backgrounds or who have worked for particular organizations, allowing them to attract new entrants and preserve their closeness across different administrations.[73] Relatedly, being in a sector closely related to national defense can also increase a company's closeness. Corporations that provide goods-and-services for the military, such as oil companies or military contractors, are likely to

[71] Culpepper, Quiet Politics and Business Power, 178. On the importance of having strong ties for third party proxies, see Ronald S. Burt and Marc Knez, "Kinds of Third-Party Effects on Trust," Rationality and Society 7, no. 3 (July 1, 1995): 255–92; Bian, "Bringing Strong Ties Back In"; Centola and Macy, "Complex Contagions and the Weakness of Long Ties." For a contrary take, see Grynaviski, America's Middlemen.

[72] American politics research describes significant variability in lobbyists' ties. For example, see Blanes i Vidal, Draca, and Fons-Rosen, "Revolving Door Lobbyists"; Joshua McCrain, "Revolving Door Lobbyists and the Value of Congressional Staff Connections," *Journal of Politics* 80, no. 4 (2018): 1369–83; Timothy M. LaPira and Herschel F. Thomas III, *Revolving Door Lobbying: Public Service, Private Influence, and the Unequal Representation of Interests* (Lawrence: University Press of Kansas, 2017); Ivana Katic and Jerry W. Kim, "Caught in the Revolving Door: Firm-Government Ties as Determinants of Regulatory Outcomes," *Academy of Management Proceedings* 2013, no. 1 (January 1, 2013): 12899, https://doi.org/10.5465/ambpp.2013.199.

[73] Young, Marple, and Heilman, "Beyond the Revolving Door: Advocacy Behavior and Social Distance to Financial Regulators," 335. This is related to the idea of preferential attachment in social network analysis. See Albert-László Barabási and Réka Albert, "Emergence of Scaling in Random Networks," Science 286, no. 5439 (1999): 509–12; Zeev Maoz, "Preferential Attachment, Homophily, and the Structure of International Networks, 1816–2003," Conflict Management and Peace Science 29, no. 3 (2012): 341–69.

form strong ties with decisionmakers by virtue of their close and frequent interactions, as well as to enter government service because of their shared skills and expertise.[74] Finally, turnover in personnel, such as through elections, cabinet shake-ups, and institutional reforms, can drive fluctuations in a corporation's closeness.[75]

The crucial argument is that the structure of political ties may make some corporations more important to the decision-making process than others. Close corporations are more efficient and trustworthy sources of information on foreign affairs than distant companies. Importantly, the logic of closeness does not require some nefarious purpose like corruption, or a perfectly homogenous interest between corporate elites and decisionmakers. The efficiency of a close corporation means that they can shape the information that informs decisionmakers' perceptions and beliefs about foreign affairs. And, the trust that is generated from having strong personal ties helps to build credibility around that information. Both actors are working within their (assumed) respective interests: decisionmakers to advance their country's national interest, and corporate elites to advance their company's private interests.

Lobbying for Expansion: How CASOC Encouraged Lend-Lease

I argue that CASOC was able to encourage lend-lease assistance for Saudi Arabia in 1943 because it was close to the Roosevelt Administration: through its tie to two key decisionmakers in the Department of State and Department of Interior, CASOC shaped decisionmakers perceptions of Saudi Arabia, and built support for lend-lease assistance. To show how CASOC's social ties shaped its power and influence, I compare its lobbying campaign in 1941 (failure) and in 1943 (success).

WHY DID CASOC FAIL IN 1941?

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[74] Neo-classical realists often claim that government elites need the resources and support of economic actors to implement their foreign policy, and will bring them into the policymaking process. See Steven E. Lobell, Norrin M. Ripsman, and Jeffrey W. Taliaferro, eds., Neoclassical Realism, the State, and Foreign Policy, 1 edition (Cambridge, UK ; New York: Cambridge University Press, 2009), 27.
[75] David J. Rothman, Politics and Power: The United States Senate, 1869-1901 (Harvard University Press, 1966), 205; Fairfield, Private Wealth and Public Revenue, 49.

As I stated earlier, CASOC had a strong interest in obtaining lend-lease assistance for Saudi Arabia. When King Ibn Saud demanded CASOC provide $6 million to help the government wade through WWII, CASOC had little money to spare. The company had already paid out $6.8 million in advances to the king, and $27.5 million in developing the concession since 1939, without a significant return.[76] Nonetheless, the company could see no alternative but to pay. Since the concession was the sole grant of the King, he could cancel it overnight if they did not keep him satisfied.[77] Luckily for the company, the war also presented a potential solution. In 1941, the United States instituted an innovative program known as Lend-Lease, in which military supplies and related assistance would be extended to the Allies and any other any government President Roosevelt deemed vital to the defense of the United States. The program was meant to support America's war interests without actually entering the war, but CASOC's officials saw it as a way to protect their concession for good. In April 1941, CASOC's executives met in New York to consider approaching Washington officials "for [the] purpose [of] soliciting their assistance."[78]

In March 1940, CASOC dispatched a team of lobbyists to Washington to obtain lend-lease assistance for Saudi Arabia. As noted earlier, this attempt failed because CASOC was in a peripheral political position—it was indirectly tied to officials in the Roosevelt administration. Chief among the oil company lobbyists CASOC hired was Max Thornburg and James Moffett, the president and chairman of Bahrein Petroleum Company, respectively. Thornburg was not well known at the State Department but would become important later. Moffett, on the other hand, a well-connected lobbyist as he knew President Roosevelt. The two were more than casual acquaintances. The president's staff assistant observed, "the

[76] Memorandum by W.S.S. Rodgers, 27 Apr. 1944, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948). 25381-25382
[77] Testimony of James Moffett, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 24715; Lebkicher to Davies 28 Nov. 1941, Ibid., 25435. Another fear was that the kingdom might crumble from within, creating an opportunity for tribal leaders who were notoriously opposed to CASOC to seize control and cancel the concession (Thornburg Memorandum, 30 Oct 1940, Central Decimal Files, Saudi Arabia General File 1940-1944, 890F.00/61, RG 59, NARA; Shullaw to Hull, 22 Apr. 1943, Central Decimal Files, Saudi Arabia General File 1940-1944, 890F.00/87, RG 59, NARA).
[78] Davies to Ohliger, 2 Apr 1941, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25391

President loves Jimmy and Jim loves him."[79] Roosevelt and Moffett first met during World War I, and they maintained a close, personal friendship afterward.[80] Roosevelt also trusted Moffett's expertise; one administration official recounts that by the start of World War II, Moffett had become Roosevelt's unofficial advisor on oil matters, insofar as "he was able to go in to see the President practically whenever he wanted to."[81]

Initially, Moffett's access and relationship to the president appeared to be working for CASOC's benefit.[82] On April 9, 1940, Moffett informally discussed CASOC's situation with Roosevelt at the White House.[83] Moffett was working at informational advantage; although Roosevelt had already known "a good deal" about Arabia, the meeting was the first time he learned of the king's situation.[84] Moffett exploited the opportunity, claiming CASOC had inside knowledge that Ibn Saud was a pro-ally Arab leader. This information was important to Roosevelt. He appeared willing to assist the company and requested Moffett consult with CASOC to submit a formal proposal for further consideration. A week later, CASOC submitted its proposal to Roosevelt: through lend-lease or an outright grant, the United States would advance Ibn Saud $6 million per year, in exchange for an equivalent amount of gasoline, diesel, and fuel oil.[85] Roosevelt was eager to sound out the practicality of the proposal, forwarding it

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[79] Early to Watson, 6 May 1939, President's Personal Files 1933-1945, Container 2800, Franklin D. Roosevelt Library.

[80] For an overview of their relationship, see Stoff, *Oil, War, and American Security: The Search for a National Policy on Foreign Oil, 1941-1947*, 47–48; Miller, *Search for Security*, 38.

[81] Harold L. Ickes, *The Secret Diary of Harold L. Ickes, Vol. 3: The Lowering Clouds, 1939-1941*, First edition (Simon and Schuster, 1954), 62. Also see, Testimony of Moffett, PASA, p. 24710.

[82] "Arabian American Oil Company James A. Moffett Suit, Moffett's Story", 23 Jun 1948, James McCauley Landis Papers, MSS29348, Box 31, Folder "Arabian American Oil Company Co. 1947-49", LC, 4

[83] There is no official record of the meeting, except for what is referenced in Moffett's own statements and congressional hearings. See, for example, Moffett's Proposal, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25379-80.

[84] Testimony of Moffett, U.S. Congress, Petroleum Arrangements with Saudi Arabia, p. 24710

[85] Roosevelt claimed "it was impossible" to loan government money against oil in the ground. Therefore, the proposal needed to be framed in terms of finished products. See Moffett's Story 4; Moffett's Proposal, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25379-25380

Secretary of State Cordell Hull for consideration. One CASOC official attributed Roosevelt's willingness to help CASOC to the "personal friendship of President for Moffett."[86]

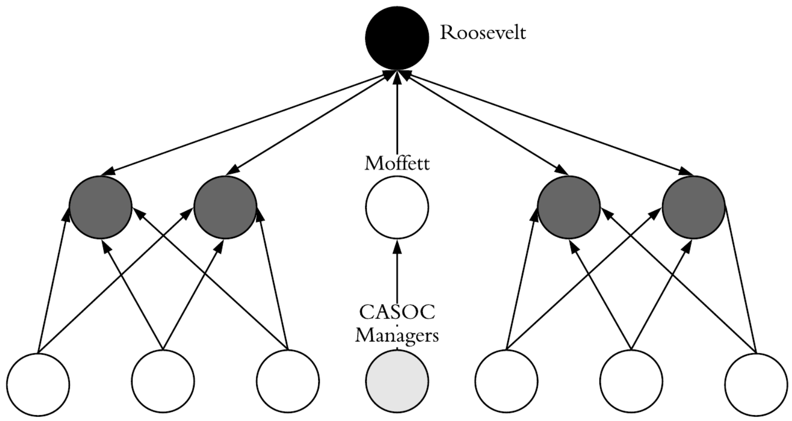

Figure 2: Position (Peripheral) of California-Arabian Standard Oil Company in Roosevelt Administration, 1941 (Derived from George, Alexander L. Presidential Decision Making in Foreign Policy: The Effective Use of Information and Advice. Boulder, CO: Westview Press, 1980.)

Why, then, did CASOC fail at its first attempt to secure lend-lease for Saudi Arabia? I argue CASOC was too distant to the Roosevelt administration to secure lend-lease. This may seem odd given Moffett's relationship with Roosevelt, but Moffett was an employee of Bahrein Petroleum Company. This made him an indirect connection, meaning CASOC was peripheral to the decision-making process, and thus, not able to shape perceptions and build support. The relationship between Bahrein and CASOC is important for my argument and worth explaining. Standard Oil and the Texas Company formed Bahrein to handle the production, refining, and distribution of CASOC's oil. However, they organized the company in Canada as a legally separate entity. Moffett explains this separation meant he "could not have anything to do with Arabian" day-to-day-operations.[87] He had never even heard of Saudi's financial situation until CASOC representatives solicited his services to lobby the president. Even then, Moffett

[86] Davies to Ohliger, 15 May, 1941, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25418
[87] Testimony of James Moffett, 28 Mar. 1947, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 24709

stressed to them that he "had nothing to do with the parents [Standard Oil and Texaco];" his lobbying services were "separate and distinct" from CASOC; his position "was confined to Bahrein"; and he "wasn't an employee of Standard of California."[88] In effect, he reminded them he was simply a hired lobbyist, an intermediary between Roosevelt and CASOC.

As the previous chapter explains, hired-lobbyists can be ineffective representatives of a company's interests; the intermediary may have conflicting interests and shirk their responsibilities, making it difficult for the company to shape decisionmakers perceptions or build support. In the current case, Moffett's role as a lobbyist for CASOC conflicted with his position as Bahrein's chairman. The commercial aspect of the April proposal—the sale of finished oil products—violated Bahrein's pricing arrangement with CASOC. By his own account, Moffett "feared getting caught in any internal political jam" between Bahrein and CASOC, and began to restrict his lobbying activities on behalf of the company.[89] Although CASOC's executives had suggested he use his contacts at the State Department, Moffett focused solely on Roosevelt and did not attempt "to make any real representation to the State Department."[90] His only real interaction with the State Department on the matter was by happenstance, at a dinner party that Secretary of State Cordell Hull attended. Hull told Moffett pointedly that the King's financial situation was important but "a matter within the British sphere of influence." Moffett did not press Hull on the issue, nor did he attempt to follow-up with Hull. As he explains, "I did not seek this

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[88] "Arabian American Oil Company James A. Moffett Suit, Moffett's Story", 23 Jun 1948, James McCauley Landis Papers, MSS29348, Box 31, Folder "Arabian American Oil Company Co. 1947-49", LC, 3; Testimony of William Rodgers, 29 Oct. 1947, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 24709

[89] "Arabian American Oil Company James A. Moffett Suit, Moffett's Story", 23 Jun 1948, James McCauley Landis Papers, MSS29348, Box 31, Folder "Arabian American Oil Company Co. 1947-49", LC, 6. This concern comes up frequently throughout Moffett's account, indicating its importance.

[90] "Arabian American Oil Company James A. Moffett Suit, Moffett's Story", 23 Jun 1948, James McCauley Landis Papers, MSS29348, Box 31, Folder "Arabian American Oil Company Co. 1947-49", LC, 8; Miller, *Search for Security*, 38. Whether or not Moffett shirked his responsibility became the subject of a lawsuit between the company and him. In January 1947, Moffett filed a $6,000,000 suit against CASOC charging that the company never compensated him for his services. While Moffett cannot be trusted as a reliable narrator, he admits a reluctance to work with the CASOC executives in good faith, including having a poor relationship between the Texas Company's president (10), being skeptical of the notion that the company couldn't finance the kingdom (11), and wanting "to wash my hands of the whole thing" (14).

appointment. It was just a natural situation that occurred."[91] Unfortunately, CASOC seems to have relied on Moffett to influence Hull. One lobbyist recollected that in April 1941, "there may have been some informal talks by some of our people with the State Department but they were not authorized by the board of [CASOC]."[92] Thornburg—another company lobbyist—wrote in the notes of his visit to Washington that he was focused on "working with Chiefs and Assistant Chiefs of Divisions rather than with the extremely busy top few."[93] In consequence, the company never made a strong effort to change Secretary Hull's perception of Saudi Arabi as within Britain's sphere of influence.

Another factor which may have undercut CASOC's influence was a general skepticism within the State Department toward the company's motives for pursuing lend-lease. Hired-lobbyists are often ineffective because of the stigma that neither lobbyists nor the companies they represent have the public interest at heart. Therefore, it is helpful to have someone on the inside to build trust in the company's motives. In a letter to his superiors, Max Thornburg recounted that it was difficult to lobby decisionmakers "because an oil man is sort of branded around here."[94] For example, many administration officials described Moffett as a playboy who was, according to one official, "difficult to take seriously."[95] This skepticism seems to have made it difficult for Thornburg to convince lower-level officials to extend lend-lease assistance to Saudi Arabia. Wallace Murray, Chief of the Division of Near Eastern Affairs, wrote Hull of his concern "the charge might be made that the commercial part of Mr. Moffett's proposal was of direct benefit to [CASOC] and that the proposal was designed to relieve that company from the difficult situation in which it has been placed."[96] Eager to avoid this, Murray began to explore a purely

[91] "Arabian American Oil Company James A. Moffett Suit, Moffett's Story", 23 Jun 1948, James McCauley Landis Papers, MSS29348, Box 31, Folder "Arabian American Oil Company Co. 1947-49", LC, 8
[92] Testimony of William Rodgers, 29 Oct. 1947, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 24806
[93] Thornburg Notes, 8 May 1941, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25479
[94] Thornburg to Stoner, 29 Sept 1941, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25444.
[95] Cited in Stoff, *Oil, War, and American Security: The Search for a National Policy on Foreign Oil, 1941-1947*, 53. For another example, see Ickes, *The Secret Diary of Harold L. Ickes, Vol. 3*, 62.
[96] Memorandum by the Chief of the Division of Near Eastern Affairs (Murray) to the Secretary of State, 21 Apr. 1941, Central Decimal Files, Saudi Arabia General File 1940-1944, 890F.51/48 ½, RG59, NARA.

political loan through lend-lease as an alternative. Ultimately, he decided against this, explaining to Thornburg it was not in America's interests: "the British should bear their full share of financial assistance to the king, because of their political interest in that part of the world from an Empire point of view."[97]

On May 12, 1941, President Roosevelt heeded Hull and Murray's advice and decided to defer action on the April proposal until they could confer with the British.[98] CASOC intensified and expanded its efforts to obtain direct assistance for the Kingdom, but it was too late.[99] Throughout the next month, Hull and his staff discussed the matter with the British ambassador, who agreed that the British should assist in "keeping the King in a proper state of mind," and provide assistance to the Kingdom as an

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[97] Notes of visit of Max W. Thornburg and L.N. Hamilton to Washington D.C., 13-15 May 1941 *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25480; Also see Memorandum of Conversation, by Mr. John D. Jernegan of the Division of Near Eastern Affairs, 7 Aug 1941, FRUS 1941, vol. 3*, British Commonwealth, the Near East and Africa* (Washington, 1959), 643

[98] Memorandum of telephone conversation, 13 May 1941, FRUS 1941, vol. 3*, British Commonwealth, the Near East and Africa* (Washington, 1959), 633-634. Two other factors may have influenced Roosevelt's thinking. First, the Secretary of Navy Frank Knox recommended against the proposal, in part, because Saudi oil products did not meet Navy standards, thereby removing any commercial justification for the proposal. Second, the Secretary of Commerce Jesse Jones did not feel there was any legal way under lend-lease to extend assistance to Saudi Arabia. Neither factor was decisive to Roosevelt's decision. First, both considerations were present in 1943, and therefore, cannot explain the change in Roosevelt's thinking. Second, their arguments against lend-lease seem to have been motivated less by legal and technical considerations than by political considerations. The Secretary of Navy Knox originally told Thornburg and Moffett that "this was primarily a political matter for the State Department rather than for the Navy." Similarly, Jones was in frequent communication with the State department on the matter, indicating in one memorandum written on July 18th, that Saudi Arabia was a "long way from the United States" and primarily Britain's responsibility. For instance, CASOC's legal counsel submitted a memorandum explaining precisely how a loan could be made under lend-lease. This does not seem to have convinced Jones. For the meeting with Knox, see Notes on Visit of M.W. Thornburg and L.N.. Hamilton to Washington D.C., 13-15 May 1941, PASA, 25481. For Jones' communication with the State Department, see Memorandum of Conversation. 29 Jul. 1941, , Central Decimal Files, Saudi Arabia General File 1940-1944, 890F.51/36, RG 59, NARA; Memorandum of a telephone conversation between Alling and Hamilton, 19 June 1941, Central Decimal Files, Saudi Arabia General File 1940-1944, 890F.51/32, RG 59, NARA. For the memoranda to Jones, see Rodgers to Jones, 20 May 1941, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25436-25438.

[99] CASOC's lobbying team met with the Secretary of Navy and Secretary of Commerce to discuss other means of obtaining direct U.S. assistance; both deferred back to the State Department's original opinion that it was Britain's responsibility. See Notes on Visit of M.W. Thornburg and L.N. Hamilton to Washington D.C., 13-15 May 1941, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25481; Memorandum of Conversation. 29 Jul. 1941, Central Decimal Files, Saudi Arabia General File 1940-1944, 890F.51/36, RG 59, NARA; Memorandum of a telephone conversation between Alling and Hamilton, 19 June 1941, Central Decimal Files, Saudi Arabia General File 1940-1944, 890F.51/32, RG 59, Ibid.. These meetings are detailed in the previous footnote.

alternative to direct American aid.[100] To the State Department's satisfaction, the British increased their assistance to the Kingdom at the end of the month; they no longer saw any reason for direct American aid.[101] Roosevelt made his decision in early June and informed the Secretary of Commerce: "Will you tell the British I hope they can take care of the King of Saudi-Arabia. This is a little far afield for us!"[102]

WHY DID CASOC FAIL IN 1943?

British gold helped to ease Saudi Arabia's financial situation after 1942 but created new problems for CASOC. The company feared the British might leverage their aid to exact a *quid pro quo* for a stake in the undeveloped portions of its concession. Exactly why it feared this is unclear. For its part, the British government had no such interest. Oil holdings in Iran and other Middle Eastern countries were sufficient to supply their oil requirements. Rather than provoke the United States—its key creditor—they simply wanted to remain in the king's good graces and keep the Kingdom out of Axis hands.[103] Nonetheless, CASOC's managers were intent on "educat[ing] Washington" about Saudi Arabia's financial situation, and with America's entrance into the war in December 1941 they saw an opportunity to reverse the lend-lease decision.[104] Roosevelt extended lend-lease to Saudi Arabia in February 1943.

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[100] Memorandum of conversation between Hull and Halifax, 7 May 1941, FRUS 1941, vol. 3*, British Commonwealth, the Near East and Africa* (Washington, 1959), 627-629

[101] For example, in a letter to Secretary Hull, Murray states "In as much as the British Government has now increased its subsidy to King Ibn Saud the question arises whether we may not wish to pursue with Mr. James A. Moffett the proposal which he made to the President some weeks ago. See Memorandum by the Chief of the Division of Near Eastern Affairs, 29 May 1941, FRUS 1941, vol. 3*, British Commonwealth, the Near East and Africa* (Washington, 1959), 636-637

[102] Memorandum by the Federal Loan Administrator (Jones) to the Secretary of State, FRUS 1941, vol. 3*, British Commonwealth, the Near East and Africa* (Washington, 1959), 643; Moffett claims that the President instructed Harry Hopkins to inform Jesse Jones of his decision sometime between June 9 and 12th, after which Moffett considered it "finished business." The letter from which the quote is drawn from is often cited as when Roosevelt made his decision, but was written about a month later. This cuts against claims that Roosevelt was still considering lend-lease throughout July. It may be the case, however, that Hopkins did not notify Jones of the President's decision. See "Arabian American Oil Company James A. Moffett Suit, Moffett's Story", 23 Jun 1948, James McCauley Landis Papers, MSS29348, Box 31, Folder "Arabian American Oil Company Co. 1947-49", LC, 13; Hopkins to Jones, 14 June 1941, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25415.

[103] Stoff, *Oil, War, and American Security: The Search for a National Policy on Foreign Oil, 1941-1947*, 58.

[104] See, for example, Davies to Ohliger, 11 Dec. 1941, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25415-25416.

I argue that America's entrance into the war increased the company's closeness to the national security bureaucracy by forging two direct links between CASOC and the Roosevelt administration. First, America's entrance in the war stimulated interest in strategic materials, leading the State Department to recruit Max Thornburg—the president of Bahrein Petroleum company, a former employee of Standard Oil, and CASOC's lobbyist from the previous year—as an expert on petroleum. The position had considerable decision-making authority. Under the title of Assistant to the Under Secretary of State, Thornburg was allowed to operate "as a semi-independent branch of the department" and weigh in on all decisions related to petroleum at the State Department.[105] Second, the appointment of Ralph K. Davies as Deputy Petroleum Administrator for War established another direct tie between CASOC's managers and the Roosevelt administration. Around the same time the State Department hired Thornburg, Harold Ickes, the Secretary of the Interior, was in search of a deputy-director to help him run the newly established Petroleum Administration for War. He chose Ralph K. Davies, the Senior Vice-President of Standard Oil. Davies oversaw every phase of the company's operation throughout the 1930s, which undoubtedly included CASOC. As deputy director, he had broad authority to coordinate petroleum supplies for civilian and military use during the wartime and make recommendations to government agencies and to industry to assure maintenance of adequate petroleum stocks. In short, both men were directly connected to CASOC and had considerable influence in the Roosevelt administration.

Another factor that increased CASOC's political closeness to the Roosevelt Administration is the strength of CASOC's ties to Thornburg. CASOC's ties to Thornburg were much stronger than those to Davies. Neither Davies nor Thornburg fully detached themselves from the company's operations; both continued to receive an annual salary from Standard Oil during their time in government. Although this practice was not unusual at the time, and therefore not indicative of the strength of ties, we can infer that Thornburg's ties were stronger because of differences in how Thornburg and Davies dealt with their ties

[105] Testimony of Herbert Feis, 29 Jan 1948, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), p. 25272; also see Department of State Bulletin, 9 Aug. 1941, 117

upon entering government.[106] Davies was public about his ongoing relationship with the company and pledged to remove himself from any question involving the CASOC concession. There is no evidence that Davies violated this promise. As a result, Davies does not play an important role in the story until the end of the case.

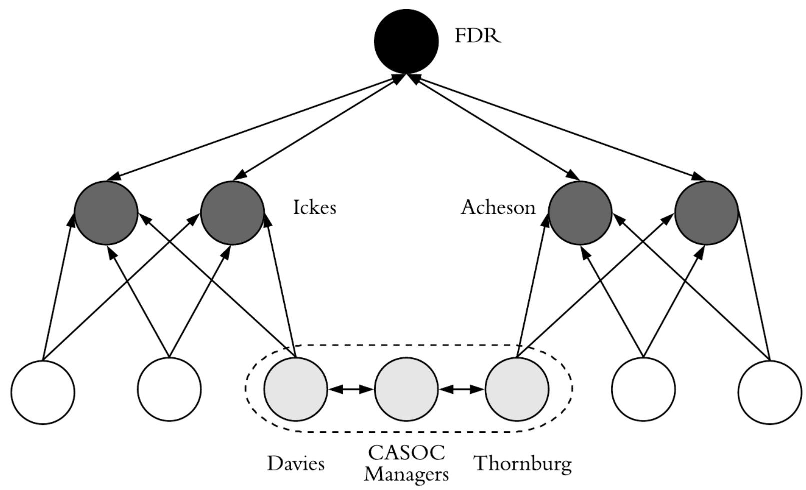

Figure 3: Position (Close) of California-Standard Arabian Oil Company in Roosevelt Administration, 1942-1943

Thornburg, who described himself as "a lifelong Standard Oil Man," led everyone in the State Department to believe that he had separated himself from the company; they did not discover he was in frequent communication with Standard Oil until after the lend-lease decision was made, at which time he was forced to resign.[107] One reason decisionmakers hide their corproate ties, as explained in the previous chapter, is to maintain the image of objectivity while working on the company's behalf.[108] Thornburg's

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[106] See Testimony of Harold Ickes, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), p. 25207, 25235

[107] It did not emerge until December 1943, at which time Hull requested his resignation. For the circumstances related to Thornburg's hiring as well as his resignation, see Cordell Hull, *The Memoirs of Cordell Hull* (Macmillan Company, 1948), 1517; Herbert Feis, *Seen from E. A.: Three International Episodes* (Knopf, 1947), 120.

[108] It is unclear whether Thornburg was motivated by personal gain, or genuinely believed in the coincidence of commercial and national interests. He felt that United States will "come more and more closely to resemble Great Britain's policy of the past thirty years;" this would see the U.S. government actively supporting American companies overseas and negotiating intergovernmental agreements that favored American companies' commercial interests (Thornburg to Hornbeck, 24 Nov 1941, Box 3, Folder: General Middle East, PED). In doing so, the United States would "remove or lessen part of the risks to private enterprise of great national importance abroad." (Thornburg to Welles , 27 Mar 1943, 800.6363/1141 ½ CDF)

personal papers reveal that he joined the administration with the intention of "offsetting representatives of other companies who may be there," and tilting government policies in CASOC's direction by building "inside cooperation" on "important assignments" like Saudi Arabia.[109] Throughout his tenure at the State Department, he wrote to the company about oil policy developments, his conversations with other State Department officials, and the most effective tactics for influencing the U.S. government. In one revealing letter to CASOC's managers, he claimed he would review the lend-lease situation in Saudi Arabia, and in his capacity as special assistant "shall be better posted" to update them of its progress.[110]

Thornburg's State Department position made it relatively easy to educate decisionmakers on the stakes of the Saudi dispute. Shortly after entering government service, he commissioned a study of national oil policy, which he carried over from his time at Standard Oil.[111] A central conclusion of the study was that the domestic oil reserves were in decline, and unless the U.S. stepped in to secure foreign reserves, conflicts between American companies and foreign governments could reach destructive proportions.[112] The study was sprinkled with his own biases toward CASOC, stressing the need to secure concessions in the Middle East, which he claimed would be the locus of oil wealth and power after the war. "The most important single piece of equipment in existence" Thornburg wrote in a memorandum to the Assistant Secretary of State Dean Acheson, "was the twelve-inch valve on the Mediterranean end of the Iraq pipeline." That valve could "head the tanker fleets of the world in almost any direction it wishes by raising or lowering the level of supply in Europe." In order to maintain "a strong American influence

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109 Thornburg to Collier, Rodgers, 28 June 1943, Thornburg Papers, cited in Qaimmaqami, "Max Thornburg and the Quest for a Corporate Foreign Oil Policy: An Experiment in Cooperation," 394–96. I was unable to recover these papers. Linda Qaimmaqami informed me that the papers were burned in a family dispute. She assured me, however, that a majority of the content is detailed in her dissertation, which is cited above.
110 Thornburg to Stoner, 29 Sept 1941, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948, 25444-25445
111 Testimony of Herbert Feis, 29 Jan 1948, Thornburg to Stoner, 29 Sept 1941, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948, 25272
112 Thornburg to Hornbeck, 24 Nov 1941, Office of the Petroleum Division 1940-1949, Box 3, Folder "General Middle East", RG 59, NARA; Ferris to Thornburg, 24 Nov 1941, Ibid.; Thornburg to Acheson, Bonsal, Duggan, and Welles, 13 Oct 1942, Ibid. For a general overview of Thornburg's impact on State department thinking, see Stoff, *Oil, War, and American Security: The Search for a National Policy on Foreign Oil, 1941-1947*, 65–70; Miller, *Search for Security*, 48–50, 64–65.

in the distribution of oil throughout the world," he claimed, the United States needed to support producing countries and oil companies in the region, such as through lend-lease.[113]

The study for a national oil policy increased the State Department's perception of domestic oil scarcity because they saw Thornburg as an expert; his colleagues felt his ties to the industry gave him "specialized knowledge" of a vital commodity to the war effort and of a region which few had knowledge of at the State Department.[114] For this reason, officials looked to Thornburg for guidance, circulating his studies to the State Department's divisional and regional offices, as well as key decisionmakers like Assistant Secretary of State Dean Acheson and Under Secretary of State Sumner Welles, who endorsed the study and approved its recommendations.[115] According to historian Aaron Miller, Thornburg's work increased perceptions of domestic oil scarcity at the State Department, becoming a critical basis for the lend-lease decision as well as laying "much of the theoretical foundation on which [U.S. Middle Eastern] diplomacy would rest" in 1943.[116]

CASOC also used its ties to Thornburg to raise concerns about Britain's intentions in the region. An advantage of a strong, direct tie to a key decisionmaker like Thornburg is that they will promote the company's concerns and defend them from criticism. Throughout 1942, CASOC representatives revived interest in lend-lease assistance in Washington by suggesting Britain might leverage its financial assistance to the king to preempt their concession. According to the company, a team of British experts sent to combat locusts in January 1942 was actually a secret mission to survey possible sites for drilling oil. Some officials responded to the company's concerns that the State Department's main concern was to

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[113] Miller, *Search for Security*, 64–65; Stephen J. Randall, *United States Foreign Oil Policy Since World War I: For Profits and Security* (McGill-Queen's Press - MQUP, 2005), 124–25.

[114] Testimony of Herbert Feis, 29 Jan 1948, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), p. 25272. American officials had little tradition of service east of Cairo, and little Arabic or Turkish language training; even on the cusp of World War II, NE only consisted of thirteen people, and as late as 1944, only claimed three Near Eastern language specialists (Miller, *Search for Security*, 23–24.). At one point, they had to request a map of Arabian peninsula from Casoc (Murray to Duce, 3 Jan 1941, Central Decimal Files, Saudi Arabia Petroleum File 1940-1944890.F.6363 STANDARD OIL COMPANY/123, RG 59, NARA).

[115] See Duggan to Welles, 10 Feb 1942, Central Decimal Files, General Petroleum File 1940-1944, 800.6363/541 ½, RG 59, NARA.

[116] Miller, *Search for Security*, 49.

protect America's "long-range interests," not CASOC's interests.[117] Thornburg defended the company against this criticism. He mounted an awareness campaign reviewing the history of the Persian Gulf oil industry in order to show how British companies flourished with government support.[118] The United States also needed to take "aggressive action" toward "safeguarding oil supplies for war in the Middle East" or risk British domination of what would be the world's principal oil region.[119]

A decisive moment occurred in November 1942. Thornburg learned, presumably from CASOC officials, that Britain proposed taking control of Saudi Arabian currency. It was rumored this would threaten CASOC's integrity as an American-owned operation and allow entry for British firms into Saudi Arabia.[120] Thornburg quickly wrote to Secretary Hull that the British could not be trusted:

> The financial assistance received from the British has introduced a British influence in Saudi Arabia that did not previously exist. There is no assurance from British policy in the past that this influence will not ultimately be used to the determinant of vital American interests [CASOC] in Saudi Arabia […] It is of vital importance to the United States that the large Saudi Arabian oil reserves remain exclusively in American hands. King Ibn Saud evidenced his trust in the United States government and the American

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[117] Memorandum of conversation, 12 Jan. 1942, ASF International Division File, 679 Pipeline, Oil, Iran, Records of Headquarters, Army Service Forces, RG 160, NARA.
[118] Davis, "Keeping the Americans in Line? Britain, the United States and Saudi Arabia, 1939–45: Inter-Allied Rivalry in the Middle East Revisited," 109.
[119] Thornburg to Alling, 6 April 1942, Office of the Petroleum Division 1940-1949, Box 3, Folder "General Middle East," RG 59, NARA. Thornburg strongly believed that that United States will "come more and more closely to resemble Great Britain's policy of the past thirty years;" this would see the U.S. government actively supporting American companies overseas and negotiating intergovernmental agreements that favored American companies' commercial interests. . In contrast, Thornburg, given his experience in the oil industry, genuinely believed in the coincidence of commercial and national interests. He felt that United States will "come more and more closely to resemble Great Britain's policy of the past thirty years;" this would see the U.S. government actively supporting American companies overseas and negotiating intergovernmental agreements that favored American companies' commercial interests. See Thornburg to Hornbeck, 24 Nov 1941, Office of the Petroleum Division 1940-1949, Box 3, Folder "General Middle East," RG 59, NARA.
[120] Miller, *Search for Security*, 65.

company [CASOC] by granting this concession to our company rather than to foreign interests.[121]

Some State Department officials, namely those in the Divisions of Financial and Monetary Affairs, and British Commonwealth Affairs, were skeptical of Thornburg and CASOC's fears of British encroachment, fearing unilateral action could kickstart a scramble for oil or an embarrassing diplomatic confrontation.[122] The Division of Near Eastern Affairs, however, relied on Thornburg's regional expertise and had been in close communication with CASOC officials since 1942. The chief of the division became convinced that protecting CASOC's concession from the British was "an American interest of highest importance."[123] In a memorandum recommending lend-lease assistance to Saudi Arabia, he stressed that the British government "had been supplying material assistance" to Saudi Arabia and might "require a *quid pro quo* at the end of the war" to gain entry for its oil companies into Saudi Arabia.[124]

CASOC's proximity to the Roosevelt administration appeared to pay off in December 1942. In considering the Saudi Arabia lend-lease, the Board of Economic Operations, which met weekly with Acheson, circulated and discussed various memoranda by Thornburg during their meeting on January 5, 1943.[125] Although there is no written record of these meetings, Thornburg's memoranda indicate the conversation included concerns about domestic oil scarcity and the need to protect the CASOC concession from British encroachment. Four days later, Acheson—now acting secretary of state—made the first formal recommendation to extend lend-lease to Saudi Arabia.[126]

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[121] Memorandum by Thornburg, 22 Dec. 1942, Office of the Petroleum Division 1940-1949, Box 8, Folder "1943-1949," RG 59, NARA; Also see Thornburg to Hornbeck, 24 Nov 1941, Office of the Petroleum Division 1940-1949, Box 3, Folder "General Middle East," RG 59, NARA.
[122] For examples of these concerns, see Minutes of the Committee on international Petroleum Policy, 10 Feb. 1943, Office of the Petroleum Division 1940-1949, Box 19, Folder "International Petroleum Policy Committee"; Hawkins to Feis, 4 Mar 1943, Ibid.; Minutes of the Committee on international Petroleum Policy, 19 Mar 1943, Ibid. For an overview, see Miller, *Search for Security*, 64–65.
[123] Murray to Berle and Acheson, 15 Dec. 1942, Central Decimal Files, Saudi Arabia General File 1940-1944, 890F.24/20, RG 59, NARA.
[124] Alling to Berle and Acheson, 14 Dec. 1942, Central Decimal Files, Saudi Arabia General File 1940-1944, 890F.24/20, RG 59, NARA.
[125] Board of Economic Operations Agenda for Meeting, 5 Jan 1943, Office of the Petroleum Division 1940-1949, Box 3, Folder "General Middle East", RG 59, NARA.
[126] Acheson to Stettinius, 9 Jan. 1943, FRUS 1943, vol. 4, *The Near East and Africa* (Washington, 1963), 854-855

However, final authorization was delayed by Roosevelt's absence at the Casablanca conference, during which time doubts began to reemerge about CASOC's trustworthiness. Assistant Secretary Adolf Berle advised his colleagues to "proceed with very great caution in dealing with the American oil companies at this point. A rather careful formulation of our own views in the Department would seem to be desirable; these should be brought into line with the views of the Department of Interior."[127] Thornburg, who was a recipient of this letter, almost surely informed his colleagues that any further delay could jeopardize the lend-lease.

A team of CASOC officials returned to Washington in early February 1943 to lobby the Department of Interior and the State Department. Personal ties, as I explained earlier, can provide companies "unauthorized access" to the decision-making process, through which they can circumvent slower communication channels and build support among decisionmakers with whom they have no preexisting ties. CASOC used its ties to Davies to obtain access to Harold Ickes, the secretary of Interior. The company had little use of Davies between 1941 and 1943, but with the Department of Interior entering the picture, CASOC needed Davies' help to obtain the department's support. On February 5th 1943, Davies brought two CASOC lobbyists to Ickes' office to discuss the CASOC concession. After Davies recused himself from the discussion, as promised, the representatives resorted to tropes about British intentions and domestic scarcity. The representatives explained to Ickes that CASOC's concession covered "probably one of the biggest and richest oil pools in the world," that the British were "trying to edge in on" it, and that it "would be cancelled" unless "some fast moves [were] made."[128] In exchange for lend-lease assistance, the company's representatives offered to establish a special oil reserve for the United States, framing their offer in terms of domestic scarcity: "The importance of this vast reserve of American controlled petroleum becomes increasingly apparent as demands on production within the

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[127] Berle to Acheson, Welles, Feis, and Thornburg, 6 Jan. 1943, Central Decimal Files, General Petroleum File 1940-1944, 800.6363/1-943, RG 59, NARA.
[128] Testimony of Harold Ickes, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25232; Also see Ickes Diary, 7 Feb 1943, Harold L. Ickes Papers, MSS27011, Reel 5, LC, 7472-63.

United States point more and more to a decrease in our national consumption."[129] Ickes never knew about CASOC's interest in Saudi Arabia before this meeting, but as Petroleum Administrator for War, he was quite sensitive to issues related to domestic oil scarcity and therefore quickly prioritized the concession.

Meanwhile, CASOC used its direct ties to Thornburg to mobilize support for lend-lease. Thornburg provided CASOC's representatives with inside information on how to frame lend-lease in their meetings with State Department officials. In January 1943, Thornburg had obtained the approval from the State Department to form an interdepartmental oil committee to coordinate policies for protecting American oil interests abroad. As head of the committee, he made appointments for CASOC's lobbyists to meet with influential members of the committee.[130] Thornburg also suggested to CASOC's lobbyists that they frame their interests on "purely political basis," focusing on the national welfare rather than the company's commercial interests.[131] They seem to have followed Thornburg's advice.[132] During the first two weeks of February 1943, CASOC's representatives repeatedly impressed upon officials the American character of their company, highlighting how CASOC's owners were American, paid their taxes in American dollars, and employed American citizens for higher-paid jobs.[133] They explained their

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[129] Memorandum by William Rodgers, 27 Apr. 1944, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 24830

[130] During their visit to Washington, Rodgers and Collier saw Ickes, Murray, Paul Alling of the Near-Eastern Division, Assistant Secretary of State Stimson, Navy Secretary Knox, Economic Advisor Herbert Feis, Undersecretary of State Sumner Welles, and Secretary of War Stimson (Memorandum of a Conversation with Officials of CASOC, 11 Feb 1943, Office of the Petroleum Division 1940-1949, Box 19, Folder "Study Group," RG 59, NARA; Thornburg to Welles, Murray, and Alling, 3 Feb 1943, Central Decimal Files, General Petroleum File 1940-1944, 800.6363/1105, RG. 59, NARA).

[131] Thornburg to Stoner, 29 Sept 1941, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25444. As I stated earlier, only this letter made public to Congress, but it suggests ongoing correspondence, which Thornburg's private papers later confirmed. See Qaimmaqami, "Max Thornburg and the Quest for a Corporate Foreign Oil Policy: An Experiment in Cooperation."

[132] For example, one of CASOC's managers wrote to his colleagues "Since financial assistance [from the British, future of internal stability for which such assistance primarily given and political angle not divisible but all different factors of same problem suggest best approach not solely from financial side but to enlist active interest our Government in other factors also. We shall never have better opportunity to strengthen our future **by** commencing reform along line suggested." See Lebkicher to Davies, 19 Dec. 1941, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 25416. The letter was written after Thornburg's original advise to CASOC to focus on the political angle instead of the commercial angle.

[133] Testimony of Rodgers, 29 Oct 1947, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 24805-24806, 24813-24815;

concession was endangered by the possibility of cancellation. Extending lend-lease assistance to Saudi Arabia was suggested as a way of maintaining the American character of the company and serving America's interests in the region. CASOC lobbyists found the State Department to be, as they later put it, "very sympathetic."[134]

CASOC's lobbying efforts finally ended in mid-February. On February 15, Thornburg put CASOC's proposal forth for discussion at an interdepartmental committee meeting on U.S. oil policy. The committee issued a formal recommendation to Roosevelt to grant lend-lease to Saudi Arabia.[135] Ickes discussed the proposal with Roosevelt over lunch the following day. Ickes' personal diary indicates he echoed the company's talking points to Roosevelt: "Here is probably the greatest and richest oil field in all the world an America oil companies have concessions in these fields but everyone here suspects that the British are trying to edge their way in and we have given them a great opportunity."[136] With both the State Department and Department of Interior on board, Roosevelt issued Executive Order 8926 two days later, declaring Saudi Arabia vital to the defense of the United States and eligible for lend-lease assistance.[137] With that, as David Holden summarizes, "The great American take over had begun."[138]

Conclusion

The stakes of this paper are high. In it, I sought to overturn the conventional wisdom that the U.S.-Saudi security partnership—one of the most important bilateral relationships in the world—was built on "a deal", oil-for-security. Strategic consideration and domestic-politics are insufficient to explain the origins the U.S.-Saudi security partnership. The domestic constraints to extending lend-lease to Saudi

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Testimony of Davies, 03 Nov 1947, Ibid., 25095; Also see Supplement to Summary of Discussion on Oil in EA, 13 Feb 1943, Office of the Petroleum Division 1940-1949, Box 19, Folder "Study Group," RG 59, NARA.
134 Testimony of Rodgers, 29 Oct 1947, *Hearings on Petroleum Arrangements with Saudi Arabia, Part 4* (Senate Special Committee Investigating the National Defense Program: 80th Congress, 1948), 24856
135 Minutes of the Committee on international Petroleum Policy, 15 Feb. 1943, Office of the Petroleum Division 1940-1949, Box 19, Folder "International Petroleum Policy Committee," RG 59, NARA.
136 Ickes' Secret Diary, 20 Feb 1943, Harold L. Ickes Papers, MSS27011, Reel 5, LC, 7472-63.
137 Roosevelt to Stettinius, 18 Feb. 1943, FRUS 1943, vol. 4, *The Near East and Africa* (Washington, 1963), 859;
138 David Holden and Richard Johns, *The House of Saud*, New Ed edition (London: Pan Macmillan, 1982), 128.

Arabia were constant and strategic considerations (i.e. domestic oil scarcity and Britain's intentions) were routinely misapprehended, which warrants explanation. Building on the insights of the New Left, I argued that any understanding of the lend-lease decision must consider CASOC's closeness to the Roosevelt administration. Institutional reforms in 1942 placed two CASOC representatives into key decision-making posts in the Department of State and Department of Interior. Through these officials, CASOC manipulate decisionmakers' perceptions of the region, and built support for lend-lease assistance. Their efforts transformed Saudi Arabia into a vital national interest and secured a long-term U.S. presence to protect their investment.

More generally, the question at the core of this article is why do states expand abroad. Corporate power is a crucial but understudied factor in overseas expansion, particularly when it comes to United States. This seems straightforward. U.S. presidents repeatedly used military force and economic leverage to overthrow rulers that threatened the rights of American businesses across Latin America between 1890 and 1950. Yet scholars of international security have rarely focused on corporate power. Some scholars posit that overseas expansion is caused by strategic factors, like the search for wealth, power, and security, as well as by bureaucratic politics. These scholars exclude corporations from their analysis because they assume an autonomous executive on national security matters.[139] Others posit that overseas expansion is caused by electoral politics, specifically, that domestic coalitions, economic classes, and business groups lobby elites and select leaders who will follow their preferred foreign policy.[140] These scholars recognize that corporations' matter, but do not make specific claims about which corporations can influence overseas expansionism and under what conditions.

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[139] John J. Mearsheimer, *The Tragedy of Great Power Politics*, 1 edition (New York: W. W. Norton & Company, 2014); Christopher Layne, *The Peace of Illusions: American Grand Strategy from 1940 to the Present*, 1 edition (Cornell University Press, 2007); Dale C. Copeland, *Economic Interdependence and War* (Princeton University Press, 2014).

[140] For a general overview of the literature, see Stephen G. Brooks, "Economic Actors' Lobbying Influence on the Prospects for War and Peace," *International Organization* 67, no. 4 (October 2013): 865 fn. 11. Recent examples include Kevin Narizny, *The Political Economy of Grand Strategy* (Cornell University Press, 2007); Jonathan Kirshner, *Appeasing Bankers: Financial Caution on the Road to War* (Princeton University Press, 2007); Patrick J. McDonald, *The Invisible Hand of Peace* (Cambridge University Press Cambridge, 2009).

This case study yields important theoretical and empirical contributions. The first contribution is a more complicated picture of "revolving doors" and elite networks in international politics. The last decade has witnessed a resurgence of interest in how elite social networks affect foreign policy planning, but much of the attention has gone to their indirect influence on the foreign policy agenda.[141] In contrast, I show how the structure of elite social networks varies and can privilege some corporations over others, providing them with opportunities to directly consult decisionmakers on policy. Analyzing a corporation's closeness proximity therefore substantiates recent critiques that corporate power varies not just at the sectoral and market level, but also at the firm level.[142] Moreover, I show how "revolving doors," far from being a pure transmission belt for corporate interests and conspiracy, can be used to shape decisionmakers perceptions and build trust. The article demonstrates the importance in developing more precise theories of how corporate power varies, how it is exercised, and the structure of elite networks in foreign policy.

Interrogating also underpins contemporary debates regarding the America's strategic posture in the world. Scholars remain divided over whether the United States should stick to a policy of primacy based on military preponderance, economic integration, building alliances, and inhibiting nuclear proliferation, or shift to an alternative policy of restraint, in which to retrench commitments, shift burdens, and manage multipolarity. Moreover, most would agree that the United States has shown remarkable consistency in its strategic posture over the past fifty years; the United States has pursued a policy of primacy, although these scholars find the United States commitment to this strategy puzzling.[143]

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[141] Apeldoorn and Graaff, *American Grand Strategy and Corporate Elite Networks*, 21–22, 244; Nicos Poulantzas, "The Problem of the Capitalist State," *New Left Review* 1, no. 58 (1969): 67–78; Michael Hardt and Antonio Negri, *Empire* (Harvard University Press, 2000), 304–10. Some exceptions to this include David N. Gibbs, *The Political Economy of Third World Intervention: Mines, Money, and U.S. Policy in the Congo Crisis*, 1 edition (Chicago: University Of Chicago Press, 1991); Ronald W. Cox, *Power And Profits: U.S. Policy in Central America* (University Press of Kentucky, 1994). However, they do not sufficiently unpack the logic behind these ties, treating "revolving doors" as transmission belts for corporate interests.

[142] Kevin Young, "Not by Structure Alone: Power, Prominence, and Agency in American Finance," *Business and Politics* 17, no. 3 (October 2015): 443–72, https://doi.org/10.1515/bap-2015-0004; William Kindred Winecoff, "Structural Power and the Global Financial Crisis: A Network Analytical Approach," *Business and Politics* 17, no. 3 (October 2015): 495–525, https://doi.org/10.1515/bap-2014-0050.

[143] For an overview of these debates, see Paul Porter, "Why American Grand Strategy Has Not Changed: Power, Habit, and the U.S. Foreign Policy Establishment," *International Security* 42, no. 4 (2018): 9–46.

This paper supports the view that the "revolving door" between the foreign policy establishment and corporate elite constrains the United States from shifting course. In this view, America's foreign policymakers are primarily recruited from the corporate sector, where they are socialized to a worldview that legitimizes primacy and delegitimizes alternative policies like restraint as economically disastrous or isolationist.[144] Apeldoorn and Graaf have shown that over 60% percent of the major decisionmakers with regards U.S. national security had a prior corporate affiliation. [145] The views of these foreign policymakers, as Jacobs and Page have found, are most closely aligned with (and influenced by) internationally-oriented business leaders—more so than mass public opinion, policy experts, and labor unions.[146] That alignment prevents the United States from shifting to a policy of restraint, even when doing so makes sense from a structural or domestic-political lens.

But, this paper also suggests that we should not overlook the ways in which "revolving doors" can be used to actively encourage a policy of primacy. One reason for exploring role of corporate power in the Roosevelt Administration is that it gives us insight into Trump administration. Although the challenges and personalities of the two presidencies couldn't be more different, both are characterized by an informal and ad hoc decision-making network structure.[147] For this reason, the logic of closeness, which characterized corporate power in the Roosevelt administration, also seems to apply to the Trump administration. Examples abound of private individuals attempting to use their ties to key decisionmakers to align U.S. foreign policy with their private interests: Michael Flynn leveraged his position as national security advisor to get paid to influence U.S. foreign policy on behalf of Turkey;[148] Erik Prince personally lobbied President Trump to privatize the war in Afghanistan;[149] members of President Trump's Mara-

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[144] Christopher Layne, "The US Foreign Policy Establishment and Grand Strategy: How American Elites Obstruct Strategic Adjustment," *International Politics* 54 (2017): 260–75; Porter, "Why American Grand Strategy Has Not Changed: Power, Habit, and the U.S. Foreign Policy Establishment."
[145] Apeldoorn and Graaff, *American Grand Strategy and Corporate Elite Networks*, 72.
[146] Lawrence R. Jacobs and Benjamin I. Page, "Who Influences U.S. Foreign Policy?," *The American Political Science Review* 99, no. 1 (2005): 107–23.
[147] Matthew J. Dickinson, *Bitter Harvest: FDR, Presidential Power and the Growth of the Presidential Branch* (Cambridge University Press, 1999).
[148] Graham, "The Expanding Investigation Into Michael Flynn."
[149] Noah Kirsch, "The Return of Erik Prince," *Forbes; New York*, April 30, 2018.

Lago resort are dictating veteran policy;[150] and Saudi Arabian dignitaries are keen to patronize Trump hotels.[151] Moreover, President Trump's refusal to separate himself from his real-estate empire presents additional concerns; after all, every single Trump property is now a major terrorism target.[152] All being said, "revolving doors" create strong pressures within the Trump Administration not only for preserving U.S. commitments but also for expanding them.

Of course, a normative reason to be deeply worried about these corporate networks it that they reduce the democratic character of American foreign policy. Preserving democratic accountability can be maintained in U.S. foreign policy depends on the extent to which political scientists take corporate power in national security politics seriously.

[150] Isaac Arnsdorf, "The Shadow Rulers of the VA," *ProPublica; New York*, August 7, 2018.
[151] Mary Papenfuss, "Trump's NYC Hotel Revenue Jumped Thanks to Trip By Saudi Prince" The Huffington Post; New York, August 4, 2018.
[152] Michael Crowley, "Trump's Overseas Properties Spark Security Fears," Politico, U.S. edition; Arlington, November 30, 2016.