

PalArch's Journal of Archaeology
of Egypt / Egyptology

**The Holmes Concession and the British-American Rivalry
for Bahrain's Oil (1925-1929)
(658/676, 1260/1277 AD)**

¹Researcher /Husham Ali Obai; ²Dr. Imad Jassim Hasan

^{1,2} Thi - Qar University / Faculty of Education of Humanities / Department of History
Iyhsham238@g gmail.com; dr.amadgulf@gmail.com

¹Researcher /Husham Ali Obai; ²Dr. Imad Jassim Hasan; The Holmes Concession and the British-American Rivalry for Bahrain's Oil (1925-1929) - Palarch's Journal Of Archaeology Of Egypt/Egyptology 18 (08), 3359-3375. ISSN 1567-214x. Published July, 2021.

Keywords: Holmes Concession, Bahrain's Oil.

Abstract

Oil is one of the discoveries in the modern era that was able to change the map of the world and one of the most important causes of global conflict, and whoever owns oil has become an important source of economic power, as he was able to transform countries from a tribal agricultural society to a civilized industrial society, but the presence of oil in the lands of (a country) does not mean its transformation into an industrial country, because the presence of oil without investing it does not give the desired benefit from its existence, so the oil industry, oil is one of the industries that require large capital for surveying, exploration and drilling operations, up to the stage of extraction and then export, so the oil countries, including Bahrain, resorted To foreign companies because they lacked money and experience at the beginning of its discovery, and traced its importance as being an important source of energy and raw material for many industries, in addition to being the most important source of income for the Emirate of Bahrain. In fact, the concession in 1925 granted by the ruler of Bahrain, Sheikh Hamad bin Isa Al Khalifa It is the first oil concession that led to the development of the oil industry and economic and social development during period of (46) years, and then changed many issues related to the political and economic aspects. And the entry of Bahrain into a new phase in its contemporary history.

Introduction

The credit for the discovery of oil in Bahrain belonged to a British citizen of New Zealand origin named Frank Holmes who arrived in the emirate at the head of a delegation of a British company specializing in exploration for artesian wells, and after his excavations, he touched the possibility of oil in large quantities, which prompted him to convince the British Oil Company to explore in Bahrain. After he obtained the concession to explore for oil in it, but his attempts failed, which made him turn towards American companies. Thus, the study included three axes as well as an introduction, a demolition and a conclusion. The first axis came under the title of granting the concession and the British position on it, and it showed the concession granted by the ruler of Bahrain. In favor of the General Eastern Company, Britain's concerns were between a supporter and a rejecter of his decision, and the British political agents intervened for the purpose of canceling it. The second axis dealt with the British position on transferring the Holmes concession to the American company, and here a new stage emerged, which is the transfer of the oil concession from the General Eastern Company to the American companies and the British position on it. While the third axis was devoted to the dispute over the transfer of the oil concession from the Gulf Company to the California Company, which led to competition between the two companies. A new deal between the American company and the British Foreign Office, and the company managed to obtain it, which opened the doors of the Arab Gulf region to American companies and broke the British collar represented in protecting the Gulf Emirates from foreign countries. In his study, the researcher relied on a group of diverse sources in their material and different in their importance to support the study with valuable information, most notably, documents, foreign books, letters, university theses, Arab and Arabized books, and research published in Iraqi and Arab university journals. The British called Frank Holmes (Ahmed, 1977), who confirmed the presence of oil in the Arabian Gulf region and was able to guarantee the first concessions of Eastern and General Syndicate (Alwastu, 2003), the British Eastern General Syndicate that He was working with it and its personal envoy in the above region, and after he failed to discover oil in the Al-Ahsa concession of 1923, which made the owners of companies in London and businessmen annoyed about meeting Holmes because he talked a lot and entered into details that even the businessmen themselves do not understand. The owners of the oil companies confirmed In London, they told him, there is no oil in the Arab Gulf region, especially Bahrain (Mufarih, 2017).

Literature review

First: Granting the concession and the British position on it

In 1924, Holmes arrived in Bahrain after reading the maps and geological files that prove the presence of oil in Bahrain. On the second day of his arrival in Manama, and after mediation by the Bahraini merchants, the brothers Ali and Muhammad Al Yateem, to meet the ruler of Bahrain, Sheikh Hamad bin Isa Al Khalifa, and at the same time They advised that if Sheikh Hamad asked him to dig wells for fresh water, he would accept that offer. Before Holmes touched on the issue

of oil in Bahrain, Sheikh Hamad started with Sheikh Hamad saying that there is a problem in his country, which is the lack of fresh water for the population, and the Sheikh promised him that he would allocate a salary and everything he asked for. He agrees to it, including the oil concession, and here his psyche has been cracked and he suffered a setback in his project in which he cut thousands of miles and devoted part of his life to studying oil and how to find it, and most importantly after the latter presented his project and Sheikh Hamad replied that he does not care about oil, not even gold if it was found (Mahmoud, 2005). Holmes turned from a researcher for oil to a researcher for fresh water and said to the sheikh I will dig a group of drinkable wells in return for you to give me an order to explore for oil, and if I fail, you do not lose anything in this field, and my brother agreed On the condition of Holmes that agreement, knowing that he needed the money received from the oil concession, but at first he preferred to dig water wells for the residents' need for them, and two months did not pass until Holmes had drilled two wells, which cost fifty thousand rupees to dig, and it took fifteen to dig it. One day, and then it was agreed with him to dig twenty more wells, and he continued to dig wells, the number of which reached more than twenty wells (Abdullah, 2005). Thus, Holmes began digging wells because they began to generate large sums of money for him, while he was seeking wealth, so he came to him by means of water, not through oil. And here we must ask why Holmes chose Bahrain and intended it only. Was it directed by American companies without the knowledge of the British government in that, the truth did not appear at that stage, but it can be said that he was able to reach those areas and took from their rulers the oil privileges because he is British and his job The former military made him many and good relations with the sheikhs of the emirates of the Persian Gulf coast, and all the concessions he obtained he intended to sell to the Anglo-Persian Oil Company, knowing that he did not work for American companies secretly against his British state, and he turned to American companies because of the Anglo Oil Company A Persian who was adamant that there was no oil in Bahrain and the region in general (Khudair, 1969). After Holmes moved in the Gulf cities, the Anglo-Persian company tried to approach Sheikh Hamad and his father, Sheikh Isa, not to grant his company the Bahrain oil concession in the same period that Holmes submitted. Sheikh Hamad preferred to grant him the concession based on the advice of King Abdul Aziz, who gave him the Al-Ahsa concession in In 1923, The latter had good relations with the ruler of Bahrain, and the sheikhs of the Persian Gulf region were also afraid of him because of the power he had in the heart of the Arabian Peninsula, and the king did not like the Anglo-Persian oil company, which he considered colonial more than any other oil company, and he stipulated that Holmes not sell the concession After a while, the king canceled that condition so that it would not become a precedent for the rulers of the Gulf to take after him (Zafer, 2006). On December 2, 1925, the Sheikh agreed to grant the Bahrain oil concession to the General Eastern Petroleum Exploration Company in an area of one hundred thousand acres (an acre equals a square meter), and the concession period was for three years, provided that the company pays an amount of (10,000) rupees annually, and the amount increases In the case of oil, and after presenting the concession to the British Colonial Ministry for the purpose of ratification (Muhammad, 1982). After the expiry of the exploration license, the company had the right to start drilling for oil in

specific areas chosen by the company and approved by the ruler and the political agent of the British government, and to extract oil from the area specified by 100,000 acres, equivalent to approximately (400) square kilometers, for a period of time fifty-five year, the agreement also included the obligation of the General Eastern Company to pay the license fees to the ruler, and these fees were set at ten thousand rupees, a gift for each year throughout the period of exploration and exploration (Hussein, 2004). The agreement also included granting the ruler of Bahrain, under that agreement, a license to search for a period not exceeding two years. From its history above, and according to that license, the company had the right to search for natural gas, petroleum, asphalt and ozkrite in all lands under the supervision of the ruler of Bahrain, to a depth not exceeding (20) feet, and the license period may be extended to search for natural resources for an additional two years (FO, 1963). Agreement In the event that the company fails to discover oil in sufficient quantities, the company has the right to stop its business of its own choosing, and the sheikh shall not be paid any financial expenses or other compensation, and in case the company fails to implement the provisions of the Agreement For an agreement, the Sheikh had the right to advise the British political agent to terminate the agreement, and when the two parties did not reach an agreement on that subject, each of them had the right to submit their dispute to arbitration in order to reach a solution (John, 1988). Or a dispute between the two parties in the interpretation of this agreement or in the rights or responsibilities of one of the parties, this dispute or dispute must be referred to two arbitrators, each party appointing one of them, and to a third arbitrator appointed by the two arbitrators before starting the arbitration, and the decision of these two arbitrators or the decision of the third arbitrator, in the event that they do not agree at all” (FO, 1963)

And the privileges obtained and enjoyed by the Eastern General Company during the license period are as follows (Joseph, 1987):

1. Free access to agents and employees appointed by the company to all parts of the region and under the supervision of the ruler of Bahrain, whether owned by private or public, with the exception of holy places, shrines and cemeteries.
2. The freedom to use water.
3. Freedom to use the fuel available in the lands owned by the ruler of Bahrain.
4. The right to purchase the types of fuel and food needed for individuals and animals in the lands owned by the Sheikh at the market price, and this price, if not specified in the agreement, must be determined by the Sheikh or his agents, and the company has the right to object to that with the British Political Agent in Bahrain if it finds it necessary.
5. The freedom to import all kinds of materials, equipment and machines necessary for the company's business, including the needs of the administration. This does not apply to the personal supplies of the employees.
6. The ruler of Bahrain provides full protection from thefts, bandits, raids and prepared sabotage, provided that the company pays the fees of the guards it requires.
7. Extension of the license period if the company is prevented from carrying out research work for reasons beyond its control, provided that the period is determined by agreement between the two parties. In the event of reaching an agreement, the period is determined by the Political Resident

in the Arabian Gulf.

8. The freedom to choose business locations and pipelines remains the right of the company.
9. The company shall have the right to prospect for precious stones, salt, sulfur and water, whether in rivers, wells, or in places that falls within the concession area. This right does not include the export or sale of the mentioned materials.
10. All lands granted under this agreement to the company and all products and exports shall be exempt from all duties and taxes during the commitment period, and benefit from these exemptions all types of materials and equipment necessary for research, operation and development of petroleum depots and necessary for the construction and completion of pipelines, and personal needs of employees. This exemption continues for two years from the date of the company's announcement.
11. The right to obtain an amount not exceeding (100) tons of petroleum without any consideration. In return for those conditions imposed on the ruler of Bahrain, the Eastern General Company had to abide by the following (ara'i, 2004).
 1. The company must continue to work in the concession area with all vigor and activity, and use two drilling rigs in continuous work, except for what may be prevented from reasons beyond its control, and if the company fails within five years from the date of the start of this concession to announce the existence of Petroleum in commercial quantities suitable for exploitation, so the sheikh has the right to request the company either to submit immediately the required declaration in this article or to give up the concession.
 2. In the event that the company is unable, within the first six months of the end of any calendar year, to pay to the sheikh the proceeds due for that year, or if it fails, except for reasons beyond its control, to implement its obligations under that concession, then the sheikh has the right to terminate the concession.
 3. The company must take all practical measures to prevent water leakage, which is harmful to any of the oil-containing ground layers that it encounters, whether during the operation of work or after abandoning any well.
 4. The rights granted by this concession cannot be transferred to a third party without the approval of the Ruler of Bahrain and in consultation with the Political Resident in the Arabian Gulf, and this approval should not be withheld for unreasonable reasons.

The agreement also included the company paying returns on production equivalent to 3 rupees and 8 ananas for each ton of oil extracted from the Bahrain field commercially, except for the first (100) tons and what the company needs of oil for its operations in the Bahrain field (ara'i, 2004). It is clear from the foregoing that the concession agreement between the ruler of Bahrain, Sheikh Hamad and the General Eastern Company came in most of its provisions in favor of the company, noting that the financial returns obtained by Bahrain are few, and the reason for this was the lack of evidence confirming the presence of oil in Bahrain, which Sheikh Hamad provided facilities for the company to search About petroleum in the emirate after the deterioration of traditional crafts in it, in addition to his need for funds made him agree to the agreement. After obtaining the concession, Holmes hired a number of geologists to carry out preliminary research and survey the lands of Bahrain, despite the presence of areas in Bahrain with spots of oil spilled on the surface of the ground, during the geological survey, in the land of Bahrain all geologists said, except for one, that there is no room for the presence of oil In Bahrain,

even the only geologist who believed in the existence of oil recommended that the oil that exists has limited commercial production, and after the negative results, Holmes made his famous saying (I do not recognize the technology that led you to this negative result, I smell oil here with my nose, pointing with his finger to his nose). Holmes was not a geologist, but a mineral engineer who educated himself and became known to the inhabitants of the Gulf as the father of oil (Muhammad, 1982). The General Eastern Company, by obtaining the oil concession, did not aim to exploit it directly, but rather its aim was to exploit those concessions that it obtained through its means and trade in them in one way or another. Therefore, the General Eastern Company, after it obtained the oil concession in Bahrain, put it on the market. To sell it to major companies, but faced an obstacle, Sheikh Isa bin Ali pledged to Britain that the oil concessions are from the British government's share and will not grant a concession to any company to explore in his land and that the company is not able to sell the concession to another party except with the approval of Britain (Salma, 2007). After Holmes obtained the oil concession in Bahrain, Britain sent the political agent to the ruler of Bahrain, who did not hesitate to inform him that Britain had no right to complain about giving us the concession to a British company other than the one they wanted, and the latter wanted the concession in favor of the Anglo-Persian Oil Company, as Sheikh Hamad explained. Ibn Saud granted the concession to the same company in the presence of the politician Percy Cox, the British representative in the region. At first, the political agent in Bahrain informed the representative of the General Eastern Company, the concessionaire, that the concession had been canceled and that the British government did not approve of it. The company objected to the political agent in Bahrain and submitted A request to the British Colonial Ministry for the concession to become legal The Colonial Ministry informed the Political Resident in the Gulf, Prideaux PF, that there was no objection to the concessions obtained by the said company by Britain, followed by an official signature of the concession from the ruler of Bahrain and Holmes on 3 September 1925 The war for oil concessions in the Persian Gulf was great, yet the British political agents were not resigned, but rather were determined. to continue to interfere in the interest of the Anglo-Persian Oil Company, and the Political Resident in the Gulf requested an explanation from the ruler of Bahrain about not granting the concession to the British companies. He also informed him of the British government's objection to Holmes and his company. He also asked him to explain the reasons that made him prefer the latter and give him the concession. Sheikh Hamad that he was faithful to the commitment that his father gave him before him to Holmes, in addition to his presence in person during the granting of the concession, and he cannot go back on his promise and does not like to violate his father, and the Political Agent in Bahrain, Major Cilve Daily, stated (I cannot I imagine that Sheikh Hamad does not accept the advice of the British government, even if it is at the expense of his father's dissatisfaction, knowing that he has actually violated his father's consent more than a hundred times) and adds, "It seems that it is impossible to convince the Sheikh to transfer the concession to the Anglo-Persian Oil Company, as That Ibn Saud had advised them, as a loyal friend, not to sign with it, and that the people in Bahrain shared Ibn Saud's opinion that this company was managed by political decisions so that the British government bought most of the company's

shares). The Political Resident in the Gulf, Prideaux, wrote a telegram In 1925 to the Minister of the Colonies (I can, if you agree to suspend the implementation of the agreement between the Sheikh and Holmes, pressure the Sheikh to postpone the subject of the research for ten years, and I will blame the Sheikh for taking the advice of Ibn Saud, and leaving the advice of the British government to which he follows, and that the possibility of differences between Ibn Saud The Eastern & General Syndicate Company may be established at any moment (Zafer, 2006). Sir Cox approached the Anglo-Persian Oil Company for the purpose of buying the oil concession from Holmes and removing it from Bahrain, Saudi Arabia and Kuwait. His contact was with his colleague Arnold Wilson), the external representative of the Anglo-Persian Oil Company in Abadan, but the latter questioned the possibilities of his friend Cox regarding the presence of oil in The lands of the Arabian Peninsula, the company's geologists believed that the rock formations that were formed during the Oligocene and Miocene eras that indicated oil in Iraq and Iran are the only ones that can be inferred to its presence there, and these formations are not available in the Arabian Peninsula nor in the coastal Gulf countries for that His presence in those places is unlikely, in his view. Wilson stressed that the policy of his company is directed to focus efforts on the fields of Iraq and Iran and to keep other countries as a reserve for the future, lest the expansion of production lead to an increase in oil supply in the markets, which leads to prices deteriorating, especially since the lands of the Arabian Peninsula and the Persian Gulf are actually subject to British influence, which guarantees The company's monopoly on the rights to explore in lands that contain oil potentials (ara'i, 2004). Holmes and his financial company were clear to the British government, and that they worked in the field of selling concessions and not drilling for oil. They take the concession and then start digging in several places for the purpose of proving the existence of oil and after that they sell the concession rights to another company, and the greatest British fear was from selling the Bahrain concession to a company other than British, and Britain tried by all means and means to pressure the ruler of Bahrain and Holmes for the purpose of canceling the concession or allegiance to the Anglo-Persian company after signing it, but after geologists proved that there was no oil in Bahrain, it made the company not interested in buying the Bahraini concession from Holmes. The British Colonial Ministry sought to cancel the Bahraini oil concession in order to achieve two goals. The first is to prevent the extraction of oil from Bahrain because it competes with Abadan's only oil in the region at the time and was owned by the Anglo-Persian Company and leads to lower prices. As for another: if an oil concession must be granted In Bahrain, it must be granted to the British Oil Company, but their attempts failed despite the pressures on Sheikh Hamad bin Isa Al Khalifa to cancel the concession (Zafer, 2006). In fact, Sheikh Hamad did not yield to this pressure, as he was inclined to grant the concession to the Eastern General Company, for the following reasons first. Holmes succeeded in digging artesian wells that provided the flow of fresh water throughout the country, and secondly: taking the advice of King Abdul Aziz, who advised him to grant the concession for oil exploration in Bahrain to Majir Holmes, third: the economic situation in Bahrain that was in need of money after the deterioration of trade The pearls in Bahrain and the popular demands for reforms all led to Sheikh Hamad's insistence on granting the oil concession to Holmes to

make money. Fourth: The Bahraini people's strong hatred for the Anglo-Persian Oil Company and the company is owned by the British government and it is a colonial company more than an oil company. The British position on the Bahraini oil concession was fluctuating due to the fear of Holmes and his company from selling the concession to American companies, as the latter was explicit in selling the concession and offering it in the market after it was presented to the Anglo-Persian Oil Company and rejected by the company after reviewing the geologists' report and confirming that there is no oil Which made Holmes think of approaching American companies on the franchise and this is what we will discuss in the second axis.

Second: The British position on transferring the Holmes concession to the American company

After the report submitted by the geologists to the General Eastern Company that there is no oil in Bahrain, and if there is, the production rate is very low and not in commercial quantities, and because of the company's financial hardship and their inability to continue prospecting for oil, the geologists left, and then Holmes tried to approach the British companies to adopt an investment project Bahrain Oil and the purchase of its concession due to the financial difficulties experienced by the General Eastern Company, so he contacted the Shell Oil Company, the Anglo-Persian and the Burmah Oil Company, but he did not arouse the interest of those companies, as they believed that there was no future for oil in Bahrain and the Arabian Peninsula (Joseph, 2019). As a result, Holmes went to the American companies, who also met him coldly and refused to respond to his request because they were not satisfied with the reports presented about the quantities of oil there, as well as their reservations about Bahrain's distance from the center of consumption abroad and the restrictions imposed by the British government on the region The Arabian Gulf, especially Bahrain, which is a protectorate belonging to it. Nevertheless, Holmes thought after that to sell the concession to the American company that wanted to invest oil in the Arabian Gulf region, but Holmes should first obtain approval from the British Foreign Office and inquire that there is a clause between the British government and the Sheikh of Bahrain, and is there any objection if He presented his project to the owners of American companies, and here the British officials answered that they had no objection to presenting the project to one of the Americans who were trying to invest their money in the land of Bahrain, because the British Foreign Office after learning that there is no oil in the land of Bahrain, based on the reports of geologists in the area The Middle East and on this basis, Holmes traveled to the United States of America, for the purpose of an agreement with one of the companies there (Ali, 1996). After arriving there, he made contacts with American companies until it seemed to him that he could reach an agreement with the Eastern Gulf Oil Company, to obtain sufficient capital to finance exploration in Bahrain. At first, it was agreed that most of the capital would be From the American company if the negotiations were successful, as the General Eastern Company was not able to provide the necessary money after it paid (60,000) thousand pounds for exploration operations in Bahrain, especially since it failed to obtain the British capital, which insists that there is no oil in Bahrain, so controlling The company will be American by virtue of the

percentage of the American capital. As for the General Eastern Company, it remains in fact just a front behind which the Americans work, although it will still exist in some way as the owner of the concession (talb, 2009). An agreement was reached between the General Sharkia Company and the American Gulf Oil Company, in light of which the rights of the first company were transferred to a second company for the Bahrain Oil Concession on November 7, 1927, in exchange for an amount of (50,000) dollars that was paid to the evil company. With this agreement, the concession became part of the Gulf Oil Company, and the latter concealed the purchase of the concession to ensure the red line agreement, which was signed during that period. After that, the Gulf Oil Company sent its chief geologist, Ralph Rhodes, to ensure that The presence of oil and after the geological survey, he actually reached the presence of oil in Bahrain in abundance and in commercial quantities, and he installed two spots on the map for the purpose of drilling in them for experiment and search for oil, and Holmes had a great role in helping Ralph Rhodes, after he provided him with all the maps, evidence and places of oil spills abroad Near Jabal Al-Dukhan (Khudayr, 1969). The transfer of the concession from the General Eastern Company to the American Gulf Oil Company was not easy and smooth, but the British control was tight on all the movements of the General Eastern Company. British officials tried to stop this transfer, and there were several things, the most important of which were The Red Line Agreement, as well as the approval of the Ruler of Bahrain, who works on the advice of the British Political Agent, in principle, and take his opinion on the transfer of the concession from one company to another. No concession or lease may be granted without the approval of the British Government. After concealing the contract between the two companies to transfer the concession to their side from the rest of the companies participating in the Turkish Oil Company, but it secretly informed the rest of the members of the American companies participating in the Turkish company, of the contract it had concluded with the General Eastern Company in May 1928, months before the signing of the Red Line Agreement However, the American members hid the matter until the Gulf Oil Company was affiliated with the Turkish Oil Company, and thus adhered to the monopolistic provisions stipulated in the agreement after signing it (Mahmoud, 2005). It is worth noting that the Red Line Agreement was signed on July 31, 1928, after the discovery of oil in Iraq, which made the Gulf Oil Company conduct negotiations with the Turkish Oil Company, and it was a deal concluded between several American, British and French oil companies regarding oil resources within the territories that were Formerly the Ottoman Empire in the Middle East, the origins of the Red Line Agreement can be traced back to the initial formation of the Turkish Petroleum Company in 1912, in order to promote oil exploration and production within the Ottoman Empire (Hussein, 2016). After the signing of the Red Line Agreement, competition between companies increased. The major oil companies during the twenties, with the aim of obtaining new reserves and opening new markets for them, competition intensified between the major oil companies in the field of distribution, and after the competition, I finally realized the necessity of It pays attention to the most important thing that brings them together, which is the common interest between them when they resorted to the conclusion of the Acnacarry Agreement on September 17, 1928, and promised the basic agreement that enabled

the seven companies, with the exception of the Soviet Union, to form an oil cartel (Cartel) or self-denial (denial) Self, which is a principle among the signatory companies by which the competition between them is reduced in the global oil markets (Joseph, 2019). After the Gulf Oil Company entered into previous agreements, it became obligatory for it to offer the concession to the Turkish Oil Company, and before any work on the project, the company approached the company. In October 1928, for the purpose of inquiring about whether its contract in Bahrain was covered by the Red Line Agreement, the Board of Directors of the Turkish Oil Company decided to include Bahrain in the agreement and refused to transfer the option contract from the General Eastern Company to the Gulf Oil Company and that the latter company adhere to the provisions of the Red Line Agreement. Here we can ask whether Bahrain was actually included in the Red Line Agreement, knowing that the geographical path of the Red Line did not explicitly include the islands of Bahrain, but if we transform the interpretation of the intentions of the parties to the Red Line Agreement, we see that It is believed that Bahrain was covered by this agreement, but the area was not of importance to the partners in the Turkish Oil Company due to the lack of oil in it and after reviewing the reports of geologists who were brought in by Holmes after obtaining a concession, as well as the lack of oil exploitation by individual American companies, all factors Britain made Bahrain included in the red line agreement to keep the Gulf Oil Company away from the Bahrain concession, and therefore the latter had to share the oil it obtains in Bahrain with the Turkish Oil Company, which made the latter company notify the Gulf Company that the Council did not bear any responsibility for any obligations to the oil company This is due to the company's position on a geological belief, especially the experts of the Anglo-Persian Oil Company, and their insistence on the absence of oil in Bahrain and its lack of the geology found in Iraq and Iran. The British position was not limited to those concerned with oil affairs only, but it gradually took an official character and became more clear after the fact that It seemed that the company intended to transfer the concession to another American company not included in the Red Line Agreement, Mr. Johnson, the representative of the General Sharqieh informed the British Political Agent after preventing the Gulf Oil Company from drilling in Bahrain, and started thinking about transferring the concession to a third party not covered by the agreement, but the British position responded that the concession could not be transferred to a third party without the approval of the ruler of Bahrain. It is clear from this that the approval of the British government in the beginning was the participation of American capital in financing the concession of the General Eastern Company, but after the sale of the concession by Holmes to the Gulf Oil Company and the concealment of the contract concluded between the two companies from the rest of the members of the Turkish Oil Company, and after the signing of the Red Line Agreement in 1928, ending the disputes between the seven major companies and including Bahrain within the agreement, which made the company present the contract concluded between the Eastern Company and the Gulf Oil Company, and the members refrained from entering with it as partners in the concession, and the Turkish Oil Company refused to participate and participate in the Bahrain concession and the strong opposition by the British side so as not to

The American company is unique with Bahrain's oil. The Gulf Oil Company has transferred the concession to another company that is not included in an agreement. (Muhammad, 1982).

Third: The dispute over the transfer of the oil concession from the Gulf Company to the California Company

The British government initially took the position of the opposition against the entry of American companies or their participation in the oil concession in Bahrain. The British Foreign Office informed the Political Resident in the Persian Gulf that the Gulf Oil Company had obtained in November 1927 an oil concession contract in Bahrain from the General Eastern Company Which the ruler of Bahrain granted a concession in 1925 because the latter was suffering from a financial crisis, but after the signing of the Red Line Agreement and in accordance with its terms and the Gulf Oil Company being a member of the American group among the seven major sister companies, the Gulf Oil Company was prevented from working in Bahrain by Britain, and based on The company ceded its rights to the Bahrain oil concession on December 21, 1928 in favor of the American Standard Oil Company (Abbas, 2012), which was outside the Red Line Agreement. The California Company agreed to buy The oil concession without any hesitation, due to the presence of guarantees and expert reports sent by the Gulf Oil Company to Bahrain, which confirm the presence of oil in Bahrain in commercial quantities. The approval of the General Eastern Company to transfer the concession from the Gulf Oil Company to the California Oil Company, the latter paid the amount of (50,000) dollars to the General Eastern Company, but the new company faced the same opposition that the Gulf Oil Company received from the British side for not allowing the American companies in the area that It threatened British interests, and took difficult measures to control the company. Britain could not prevent American interests, which made it conduct several long negotiations in order to stop the progress of American companies in the Middle East, especially the Arab Gulf region, and its success after the end of the First World War and the adherence of the United States of America With the policy of the open-door principle to guarantee its oil interests in Iraq and the Arabian Gulf region, the California Oil Company also stepped up its commercial and monopolistic activity in India, subjecting its market to American oil, and then its intention to invest in Bahrain's oil. The Americans have made clear that any of the rights and privileges granted by the Ruler of Bahrain in the concession must be directly or indirectly controlled by foreigners, such a provision included in the concession agreement effectively precluding the ownership or operation of the concession for any company that the Americans directly or indirectly controlled. Except through it exclusively, and as a result of the imposition of that agreement, it restricted competition for the demand for any oil in the region (talb, 2009). The United States of America was willing that the California company discuss this matter informally and at an early date with the relevant authorities in the British government, and that It clarifies regarding the operation of oil concessions by foreign companies, and indicated that the US State Department was happy to obtain a statement of the British government's policy regarding the ownership and operation of oil concessions by American companies in oil areas such as Bahrain. After preventing the Gulf

Oil Company from investing in the Bahraini oil concession And his transfer to a new company, the British position was refusing to enter the US companies alone in the concession, and the US State Department intervened with the Ministry of Foreign Affairs The British government's opinion on the issue of the participation of American capital in the concession in Bahrain came within the subject of a reply memorandum addressed to the State Department of the United States of America, saying: ((There is no objection to the participation of American capital in Bahrain. In the oil concession, provided that the British government is satisfied with the conditions it wants and which it imposes on American capital)) On September 16, 1928, the British government's conditions were to agree to transfer the concession from the Eastern General Company to another company, either that the concession would be transferred to a British company or that the company that It operates in Bahrain controlled by the British. After the strong opposition from the British side, I realized the interest of the United States of America in this matter, and was also keen not to raise disputes with it because of oil, which led to the British Foreign Office issuing in 1929 a statement that it did not violate the principle of the open door, but it stipulated that it be informed in advance of what is being done. Agreements about oil, and it is clear that the United States of America was appreciating the superior position from the political and military point of view of Britain in the Arabian Gulf region, as well as it is not possible to explore or exploit oil without its consent (Qusay, 2010). On this basis, the British Foreign Office, in 1929, sent a letter to the General Eastern Company, as well as another letter from the Colonial Office on May 30, 1929, which stated: "After reviewing, His Majesty's Government is ready to agree in principle to the participation of American interests in the concession of the Bahrain Islands if I am not satisfied with the conditions under which the American capital will participate. During the correspondence that followed that letter, a correspondence took place between the British government and the United States of America, a correspondence known as "diplomatic correspondence." Britain insisted that the company's management be British, and that its contacts with the local authorities be done through the British political agent in Bahrain, and that if the American government agreed to In this case, the British government can ask Sheikh Hamad, the ruler of Bahrain, to extend the term of the concession obtained by the General Eastern Company in favor of the new company, despite the American government's objections, and in particular Britain's insistence on appointing a permanent British manager for the company and its adherence to Ban includes concession of the islands of Bahrain, and that the Americans be compensated for the amount they lost as a result of the negotiation processes, but it explicitly affirmed that American companies cannot do any work that would embarrass Britain's position or disturb its influence in the region, and that American companies do not deal with the region except on commercial grounds purely (Salah, 1974).

Britain tried to fill its conditions in order to ensure control over the company. The negotiations that took place between the two sides continued for more than a year and ended with an agreement between the two parties in December 1929 on the main points represented by the following (Jamal, 1983):

1. The establishment of an Indian company (ie registered in Canada) is necessary for tax considerations, as well as the proximity of the site for the director of the department to attend meetings of the company's board of directors.
 2. The director of the administration or the head of the company cannot be British because the Americans are the ones who supply all the capital of the company, and the board of directors of the Gulf Oil Company did not include any foreign representative.
 3. Agreeing that one of the five directors should be from the British.
 4. Agreeing to use a person whom the British Government desires to use one of the following titles, a special representative of the company, a special agent, a foreign representative or a special representative of the company, and he will deal with the ruler of Bahrain by consulting the British political agent on all issues related to work or of a political or diplomatic nature regarding All issues that need to be studied with the ruler of Bahrain. In all cases, this employee will be guided by the advice and suggestions of the local director of the company, to follow the example of the Ministry of Interior.
 5. The Americans agree that the number of Britons to be employed in the company shall be in accordance with the efficiency of the company's business management.
- After agreeing to the British conditions, and there were several matters that were discussed, including the transfer of the concession from the General Eastern Company to the American company, and it was stipulated that it should be in the form of an official document signed between them, and they also lost one year of the contract because of these negotiations and stressed the need to agree to extend the exploration license A period of one year until December 2, 1930, and careful attention must be paid to the problem of starting operations in a remote area such as Bahrain, as well as what was consumed in reconnaissance operations, shipping materials there, collecting them, and starting operations effectively. As for the penalty for canceling the concession, the British memorandum came in the event of a breach of the company. General Eastern Company for any of the proposed conditions when transferring the concession, the American company demanded to change the procedure to the penalty of canceling the allocation from the General Eastern Company to its interests (Mahmoud, 2005). It seems that the Standard Oil Company of California acquiesced to the conditions of the British government and established an independent branch of California Oil in Register the city of Ottawa, the capital of Canada and within its law, and hold the citizenship of a Commonwealth country, benefiting from the Balfour Declaration on the Commonwealth Community, which came in The Canadian companies enjoy a fully British status, and it became known as the Bahrain Petroleum Company, abbreviated as Bapco. The new company pledged to select most of its employees from among British nationals, in addition to appointing Frank Holmes as a senior local representative for it. The British Colonial Ministry gave The company authorized the oil exploration license in Bahrain, and the United States of America won by acquiring the Arab Gulf region and breaking the British control in Bahrain through what is known as the (oil war) (Anthony, 1993).

Conclusion

It is clear to us from the foregoing that since the beginning of the oil concessions, competition has emerged between the colonial states in the Arab Gulf region in general and Bahrain in particular, as they took different forms from the Christian medical missionaries that preceded them, but came in a new way represented by the oil companies that entered the region, and as a result of the control of the naval power The British ruled over the region and linked its princes and sheikhs with treaties and agreements, which made it dominate those concessions, and none of those countries could enter or obtain a concession without their consent, as this policy was proven during the signing of the oil concession with the American company, as it was recognized only after the approval of the Ministry of the colonies on him, and after they set their conditions on him so that those companies would not be alone with him.

Also, the US government waived and agreed to the British conditions for the purpose of obtaining the oil concession by the American company when the company registered in Canada, one of the Commonwealth countries, in addition to its pledge that most of the company's employees would hold British citizenship, in addition to the fact that the United States of America announced the British supremacy in the region Especially Bahrain in the political and military aspect, and it took into account this superiority after agreeing to these conditions.

References

1. Abbas Ali Al-Naqi, Oil and Arab Cooperation, Journal of the Arab Petroleum Exporting Organization, Vol
2. Abdul Malik Ismail Hajar, Oil Accounting, Principles, Procedures, and the Role of Host Countries in Production Sharing Contracts, 4th Edition, Al-Ameen for Publishing and Distribution, Sana'a, 2014.
3. Abdul Rahman Munif, Oil in the Arab Imagination, Partitions on the Station of Liquids, Bidayyat Magazine.
4. Abdullah Williamson, A Journey to the Arabian Gulf The Anglo-Persian Oil Company Mission to Bahrain, Qatar, Muscat, Oman, Abu Dhabi, Sharjah and Aden 1925-1937, translated by Salim Ahmed Khaled, Arab House for Encyclopedias, Beirut, 2005.
5. Abdul-Wahhab Al-Kayyali, Encyclopedia of Politics, Volume 5, Edition 2, The Arab Institute for Studies and Publishing, Beirut, 1990.
6. Ahmed Abdel Rahim Mustafa, The United States and the Arab Mashreq, The World of Knowledge, Kuwait, 1977.
7. Ahmed Abdel-Razzaq Khalifa, Law, Sovereignty, and Oil Privileges compared to Islamic Law, 2nd Edition, Doctoral Theses Series 29, Center for Arab Unity Studies, Beirut, 1997.
8. Ali Aba Hussein, The Bahrain Archipelago through historical documents, Al-Wathiq Magazine, Kingdom of Bahrain,
9. Ali Rajab, Oil and Arab Cooperation, Journal of the Arab Petroleum Exporting Organization, Volume (38),(
10. Al-Mustansiriya, Issue (6), 2016.
11. Al-Wasat newspaper, in recognition of his role in the discovery of oil in Bahrain. The Ministry of Oil participates in the honoring of Frank Holmes, New Zealand government, No. (374), 2003.
12. Anthony Matta, The Persian Gulf from British Colonialism to the Iranian Revolution 1798-1979, Dar Al-Jeel, Beirut, 1993.

13. Dhafer Muhammad Al-Ajmi, *The Security of the Arab Gulf: Its Development and Problems from the Perspective of Regional and International Relations*, 56 Doctoral Theses Series, Center for Arab Unity Studies, Beirut, 2006.
14. F.O. 371/168680 ,1963, Bahrain oil concession.
15. F.O. 371/168680 ,1963, Government approval for the modernization of the concession concluded with Bapco .
16. *Foreign Relations of the United States of America 1928 Red Line Agreement*, Agricultural Landmarks in the Red Line: 1921-1936.
17. *Foreign Relations of the United States of America 1928 Red Line Agreement*, Agricultural Landmarks in the Red Line: 1921-1936.
18. *Foreign Relations of the United States of America, 1929, III ,b.6363/3: Telegram 846*, The Secretary of State to the VOLUME Chargé in Great Britain ,Atherton, Washington , March, 1929.
19. *Foreign Relations of the United States of America, 1946, Near East and Africa, Volume VII*, Memorandum Prepared in the State Department, Excerpts, Confidential, Washington, March 15, 1946.
20. *Foreign Relations of the United States of America, 1929, VOLUME III b.6363/3: Telegram 846* .
21. Fouad Tariq Kazem, *American Oil Concessions in the Arabian Gulf*, Journal of the College of Education for Human Sciences, Babylon University, 2011.
22. Hamid Hamid Kazem, *Arab oil and its impact on British-American relations during the twentieth century*, magazine
23. Harith Yousef Issa, *The Economic Conditions in Bahrain 1919-1939*, Journal of the College of Education, University of
24. Hasbiya Zaidi, *The Effectiveness of Recycling Petroleum Funds in Economic Development, a standard study of the case of Algeria during the period 1970-2012*, an unpublished doctoral thesis, Faculty of Economic and Commercial Sciences, Mohamed Khedir University of Biskra, 2015.
25. Hassan Latif Kazem and others, *Iraqi oil and oil policy in Iraq and the region under the American occupation, a future vision*, Iraq Center for Studies, (d.T.(
26. Hussain Ismail, *Oil in Bahrain*, Bahrain Soft Series, Kingdom of Bahrain, 2004.
27. Hussein Ali Muhammad Al-Murshidi, *The Oil Policy of the Government of Abdul Karim Qasim 1958-1963, a historical study*, an unpublished master's thesis, College of Education for Human Sciences, University of Al-Muthanna, 2016.
28. Issue (10), 2015.
29. Issue (141), 2012.
30. Issue (19), 1996.
31. Jamal Zakaria Qassem, *The Arabian Gulf, A Study of the History of the Arab Emirates 1840-1914*, Volume 2, Dar Al-Fikr Al-Arabi, Cairo, 1983.
32. Jean-Jacques Biribi, *The Arabian Gulf, Arabization of Najda Hajar and Saeed Al-Ezz*, Publications of the Commercial Office for Printing, Distribution and Publishing, Beirut, 1959.
33. John Bullock, *The Gulf*, translated by Daham Musa al-Atawneh, Publications of Daham Musa al-Atawneh for Publishing, London, 1988.
34. Khalaf Abdullah Danuk Hassan, *The Impact of Oil on Economic and Social Transformations in Bahrain 1981-1999*, Unpublished Master's Thesis, College of Education for Human Sciences, Tikrit University, 2019.
35. Khudair Noman Al-Obaidi, *Bahrain from the Emirates of the Arabian Gulf*, Al-Maaref Press, Baghdad 1969.

36. Leonardo Mogheri, *The Age of Oil, The Mythology, History, and Future of the World's Most Controversial Resource*, westort , coonnecticut ,Indon,2006.
37. Mahmoud Abdel-Fadil, *Oil and Contemporary Problems of Arab Development*, The National Council for Culture, Arts and Letters, Kuwait, 1978.
38. Mahmoud Shaker, *Encyclopedia of the History of the Arab Gulf*, Dar Osama, Jordan, 2005.
39. Medad Al-Adab, *Al-Rasheed University College*, Issue (6), (D.T.(
40. Michael A. Palmer, *Guardians of the Gulf: A History of the Expansion of the American Role in the Arabian Gulf, 1823-1992*, translated by Nabil Zaki, Al-Ahram Center for Translation and Publishing, Cairo, 1995.
41. Mufreh Fahm Al-Subaie, *The Role of Oil in Strengthening Relations between the Gulf Cooperation Council Countries*, Unpublished Master's Thesis, College of Strategic Sciences, Naif Arab University for Security Sciences, 2017.
42. Muhammad Ghanem Al-Rumaihi, *Bahrain: Problems of political and social change*, 4th edition, Dar Al-Jadeed, Kuwait, 1995.
43. Muhammad Ghanem Al-Rumaihi, *Oil and International Relations*, the National Council for Culture, Arts and Letters, Kuwait 1982.
44. Muhammad Hassan Muhammad Kamal al-Din, *Encyclopedia of the History of Bahrain*, Volume One, Kingdom of Bahrain (d.T.(
45. Muhammad Mukhtari, *Multinational Oil Companies and Their Impact on International Relations*, Raslan Foundation House, Damascus, 2010.
46. Muhammad Talib Wahim, *British-American competition for the oil of the Persian Gulf, and the position of the Arabs in the Gulf from it 1928-1939*, Dar Al-Rasheed Publishing, Baghdad 1982.
47. National Isa, *Paintings from Bahrain's Past*, Ministry of Culture and Information, Kingdom of Bahrain, 2010.
48. Nazir Bem Muhammed Al-Tayeb Ohab, *the concession contract, an original study of oil contracts, a comparative study*, King Faisal Center for Research and Islamic Studies, Riyadh, (d.
49. Qusai Abdul Karim Ibrahim, *The Importance of Economy and International Trade, Oil, the Syrian example*, Publications of the Syrian General Authority for Books, Damascus, 2010.
50. Raafat Ghonimi Al-Sheikh, *American interests in Basra, the head of the Arabian Gulf during the Second World War*, Al-Dara magazine, (D.T.(
51. Rashid Abdul Rahman Al-Zayani, *Bahrain between the eras of protection and independence*, Copyright Protection Library, Kingdom of Bahrain, 2002.
52. Salah Al-Akkad, *Political Currents in the Arabian Gulf*, Anglo-Egyptian Library, Cairo, 1974.
53. Salma Adnan Muhammad al-Kabbasi, *Saudi oil and its impact on Saudi-American relations, 1975-1982*, unpublished doctoral thesis, College of Arts, University of Basra, 2007.
54. Student Farhoud Karim Al-Kinani, *Aramco company and its impact on the modernization and development of the Kingdom of Saudi Arabia from 1944-1980*, unpublished master's thesis, College of Arts, Dhi Qar University, 2009.
55. *The Center for Venus and Hashemi Relativity, the organization of the British Commonwealth Peoples League, its origins and role*, an unpublished master's thesis, Faculty of Humanities and Social Sciences, University of Djilali, Bounama, 2017.
56. *The Kingdom of Bahrain, From Pearls to Oil, Seventy Years of Development, Management of the Bahrain Petroleum Company*, Ministry of Oil, Al Ittihad Press, (DT.(
57. *The Life of Nasser Al-Hajji, The East in the Eyes of the West*, International Conference in the College of Arts, Kuwait University, 2013.
58. *The people of Hamza al-Jilawi, British officials in Iraq during the occupation and mandate*

periods

59. Views of Jamil Saleh Al-Agaili, Political and Economic Developments in Bahrain 1923-1942, an unpublished master's thesis, Ibn Al-Rushd College of Education, University of Baghdad, 2004.
60. Yassin Saleh Karim, Historical Geology, Journal of the College of Science, Tikrit University, (D, T. (
61. Yousef Ahmed Al-Shirawi, Oil Relations in Bahrain 1925-1971, Publications of the Ministry of Development and Industry, Kingdom of Bahrain, 1987.
62. Youssef Khalifa Youssef, The Cooperation Council in the Triangle of Inheritance, Oil and Foreign Powers, Center for Arab Unity Studies, Beirut, 2011.
63. Yusuf Salah Al-Din, Historical Fact, Bahraini Al-Ayyam newspaper, issue (10699), 2019.