

AFTER KING KHALED.

The seven-year reign of King Khaled ended on 13 June with his death from a heart attack, in Taif. Khaled ascended to the throne in 1975 on the death of his assassinated brother Faisal. At the time, his accession was thought to be a somewhat reluctant one. His half brother Fahd seemed to be the most suitable candidate for the throne with his keen interest in politics, development and world affairs. However, the preference given to Khaled reflected a respect for tradition.

Selecting a King.

The king of Saudi Arabia is selected by a process of concensus with the approval of the Ulema, or priesthood. Since the house of Saud, like most extended Arabian tribes, does not follow the principle of primogeniture, the elected leader is usually the eldest member of the main branch of the family - now the direct descendants of the founder of the kingdom King Abdul Aziz - but only if that candidate is also considered to be the best qualified to maintain loyalty and preserve the common interest. And so it was the elder brother with his love of Islam, the desert pastimes, in particular falconry, and the kingdom's many tribes, who took the throne.

Mediator.

Predictably it was Fahd in his role as Crown Prince who emerged as the chief executive of what is to a great extent the Al Saud family business. Ill health prevented Khaled from taking a really active part in public life and his chief role became that of mediator. Content to delegate the responsibility for foreign affairs, King Khaled concentrated his efforts on uniting both his country and the ruling family. Loved and respected by the desert tribesmen he did much to unite them. However, the greatest setback of his reign was domestic. In 1979 a group of religious fanatics seized the Great Mosque of the Prophet in Makkah. Their two-week occupation of the holy place was an embarrassment and a threat to the fabric of the House of Saud "defenders of the Faith of Islam".

The main rivalry King Khaled kept under control, however, was within the ruling house itself. Fahd and his six full brothers - known as the Sudairi Seven because their mother came from a family of that name - include such powerful figures as the Minister of Defence, the Interior Minister and the Governor of Riyadh. The Seven are generally regarded as ambitious progressives, and, as such, something of a threat to the kingdom's conservative way of life.

Born of a different mother Prince Abdullah - the new Crown Prince - belongs to the family's traditionalist element. Abdullah, the Commander of the National Guard, has strong Bedouin roots and a love of tradition. Both factions have staunch support but during his life Khaled was able to keep the peace between them. With his death, the world will be watching for any signs of a split.

King Fahd.

In theory, Khaled's death should bring a minimum of change. Fahd was the chief formulator of Saudi policy throughout the late King's reign so a continuity of direction would seem assured. In practice Fahd's task will not be an easy one. The Iran-Iraq conflict, the Israeli invasion of the Lebanon, and Egypt's return to the Arab fold are all fast changing topics which require almost constant update.

On this too, the Arab nations and the rest of the world will be watching King Fahd's moves closely.

In the past Fahd has had the reputation of something of a free-spending playboy, an image which he will have difficulty in living-down - particularly within the kingdom. His health is not good, overweight and with a history of back trouble, in the past he has been accused of indolence. But for all this, he is undoubtedly the man best qualified to take the throne. Only time will tell whether he will prove the most capable.

ROYAL FAMILY IN SILVER SWINDLE?

TWO HIGH RANKING MEMBERS OF THE SAUDI ARABIAN ROYAL FAMILY were involved in one of the biggest swindles ever attempted, according to a book recently published in London.

The book - the Great Silver Bubble - is published by Hodder and Stoughton and written by Sunday Times journalist Stephen Fay. Fay claims that Prince Abdullah (the new Crown Prince) and King Fahd (then Deputy Premier) were involved in the great silver swindle of the 1970s, which was masterminded by the Texas billionaire brothers, Bunker and Herbert Hunt.

The scheme.

The idea was to take over the world's silver market, and it came from Bunker Hunt, already among the richest men in the world. Born of a millionaire father and determined to outdo him, Bunker Hunt bought a patch of land in Libya where he discovered oil in a big way.

Not content with mere wealth, he hit upon the idea of grabbing the world's silver market - and nearly succeeded. To do so, he required at least \$100m to buy into the bullion market. He then selected financial partners neither as cunning nor as crooked as himself. The next step was to stifle the competition from the people who buy and sell silver quickly. Hunt achieved this by getting control of refineries in silver producing nations of South and Central America, always using the 'futures' market and promising to pay months in advance of the date the money was actually handed over. To operate this scheme, bankers guarantees were necessary and Hunt, not wishing to risk his own money, or not much of it, was obliged to look to other wealthy people tempted by the possibility of making further fortunes. Which, according to Fay's book, is where the Saudi Royal Family comes into the picture.

Bunker Hunt persuaded Prince Abdullah and Crown Prince Fahd, that for an investment of several billion dollars he, and they, could corner the world market in silver. Meanwhile, he and his brother borrowed from banks and brokers without letting any one of the financial organisations concerned know the extent of their debt to the others.

Clamp-down.

At that stage, the U.S. administration under President Carter called for a clamp-down on inflation. In effect this directive ordered U.S. banks to stop lending money except in special cases. Speculation in minerals such as silver and gold was not considered to be a special case. Bunker Hunt then tried and failed to raise money in London, Paris, Zurich and Frankfurt. By this time the price of silver was falling rapidly. So Bunker Hunt flew to Saudi Arabia in the hope of raising a few more million dollars. However, the Saudi Princes were disillusioned. They realised that Hunt's scheme had little chance of success and decided to cut their losses. Hunt tried a last desperate gamble, offering silver bonds to private investors at a total cost of \$4bn ... but the markets by this time were suspicious and the bottom dropped out of the silver racket.