CHAPTER THREE

Regional Security Concerns and the Arab-Israeli Conflict:
Impact on Bilateral Ties
Insecurity of the Saudi Regime

Interestingly, Saudi Arabia's inexperience of Western imperialism, as it had never been subjected to European colonial domination and a highly developed 'encirclement syndrome' of constantly being surrounded by enemies led it on a constant search for security. (US Department of Energy 2007: 17-23) Confronted with an uncertain future and restricted with the weight of tradition and a history that provided few clues to cope best with new challenges, Saudi Arabia turned towards the United States, which later became a source of both anxiety and security for the Kingdom.

The Lend-Lease aid of 1943 that formally initiated security relations was followed by the United States sending several survey and advisory missions to enhance security infrastructure in Saudi Arabia. The "extensive air facilities" agreement\(^1\) was concluded in August 1945. This was an important agreement to the United States as it had control over the base for three years and thereby helped it control hostilities against Japan during the Second World War. Although the Dhahran air base greatly declined in importance following the war, the advent of the Cold War accompanied by a Soviet threat and oil security, which was a major element of Saudi economic interests, increased military contacts between the two countries. A second agreement on American access to the Dhahran airfield was concluded by June 1949. (Prados, Congressional Research Document Issue Brief 1996) However, the influence of the Egyptian nationalist leader Abdel Gamal Nasser on King Saud Aziz during the 1950's, the Saudi King's distrust of what he perceived as British influenced Jordan and Iraq and his continued claims for Buraymi Oasis\(^2\) all played at least some part in keeping Saudi Arabia out of the American backed Baghdad Pact of 1955. Hence continued Saudi arms requests, necessitated by a five-year military development plan, did not receive any commitment from the United States. (Safran 1988: 46-57)

Despite such tensions, military relations quickly stabilized under the Eisenhower administration as the United States moved quickly to sign a new Dhahran agreement with financial assistance to the tune of $120 million and arms sales worth $110 million in 1957. However, the decreasing relevance of overseas bases to the United

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\(^1\) A base at Dhahran and emergency air fields at Lauqa and Hafr al-Batin
\(^2\) A dispute with Oman and the United Arab Emirates
States and increasing criticism of Saudi Arabia by other Arab states eventually led to a formal closure of the Dhahran agreement in March 1961. (Cordesman 1987: 36-40) Amazingly the cancellation of base rights went a long way in reestablishing the military relations on a firmer footing. An event that helped to improve relations further was the crowning of King Faysal following his brother, King Saud’s abdication of the throne. Faysal ended the mismanagement and court intrigue that characterized the rule of his brother and kept continuity in national security affairs. However, the advent of the Kennedy administration in the United States created ideological obstacles in political relations around the same time. The United States began to consistently push for social reforms to be introduced in Saudi Arabia. King Faysal’s independence from western influences and the viewing of socio-economic development largely in terms of western secular, liberal, representative democratic norms by many in the Kennedy administration combined effectively to incite these ideological barriers. However, yet again, another external development, in the form of the civil war in Yemen in 1962 brought both countries together in an effort to address military and security concerns as the creation of a Marxist regime in South Yemen was viewed as a major security threat for the Arab peninsula. (Ibid: 46-53)

Saudi Arabia up until this time had not made any serious efforts to develop its military might. The rationale behind such a reluctance of the royal family to place much power in the hands of military men was the need to neutralize the risk of a military coup. The Saudi National Guard and the King’s tribally based army had been mainly responsible for security. The former had traditionally occupied strategic locations near Riyadh, Jeddah and Dhahran, while the latter was kept away from urban centers, often without much ammunition or mobility. These practices though began to change in the 1970s when the Saudi leadership felt the need to develop a modern, effective military force out weighing the internal security risks inherent in creating such a force. (Long 1985) It saw the United States as the ideal military partner who could provide the technology and expertise to address the Kingdom’s security needs. When the Yemen civil war ended in 1970, Saudi Arabia had only spent $45 million on American arms and services in a year. However this figure, aided by an increase in Saudi oil income, rose to $1.15 billion by 1973. Following the ‘Yom Kippur War’ US-Saudi arms deals further increased to $2 billion per year and it had shot over $6 billion by 1979. Additionally, 5000 Saudis from the military and
National Guards received American training during the 1970s. Expanding oil reserves brought in more money and this led to higher spending in purchases of arms. By the 1980s, the contribution of American military might to the global and regional balance of power provided a security umbrella to Saudi Arabia. (Mohr: 1981)

**US – Saudi Relations during the Gulf War**

The Gulf War, which precipitated a global crisis, was pivotal for several reasons. (US Department of Energy Report: 2007) There were many significant determinants of this war. First, Iraq’s aggression was unprecedented as never before in the 20th century had one Arab state occupied and subsequently annexed another. Second, the Gulf War was the first regional war fought against an Arab state by a coalition of Western and Arab countries with Israel’s backing. Third, Saudi Arabian assertiveness during the war even extended to the point of a public condemnation of Iraq’s launching of scud missiles against Israeli cities; one Arab regime had never condemned another for attacking Israel. Fourth, for the first time in the 20th century, non-Muslim, western military forces launched an offensive against an Arab country from Saudi Arabia, the land of the two most sacred shrines of Islam. Despite legitimization of this offensive by some Muslim religious authorities, other Muslim clergy and activists considered the Saudi act as blasphemous. Fifth, unlike previous wars, this war produced a popular reaction that was neither uniform across the Arab world nor consistent from the beginning to the end of the crisis (Fouar n.d: 3-4) No Arab state endorsed the Iraqi invasion of Kuwait. The Arab world was badly divided over providing support to the international coalition’s war against Iraq. Countries like Jordan, Yemen, Libya, Algeria, Sudan and the Palestine Liberation Organization insisted that the problem had to be settled by the Arabs themselves. More importantly, others led by Saudi Arabia and Egypt, thought outside help was required. Sixth, the American desire for a ‘New World Order’ and the need to propel Saudi Arabia as the regional leader was also influential in propagating this concept. (Bashar and Wright 1992)

Historically, Iraq had long considered Kuwait to be a part of it. This claim led to several confrontations over the years and continued hostility. When Saddam Hussein’s invasion of Iran failed to bring the desired results, he sought easier conquests against his weak southern neighbour in an attempt to increase Iraq’s influence in the region.
Amid growing tension between the two Persian Gulf neighbors, Saddam Hussein, assumed that the United States and the rest of the World would not interfere to defend Kuwait. When Kuwait refused to compromise on its territorial integrity, Iraq stormed across the border with troops and tanks into Kuwait, on 2 August 1990, catching most of the world by surprise. Iraq claimed that its troops had been invited to restore order by an ‘interim free government’ of Kuwaiti revolutionaries who had overthrown the Sabah dynasty but independent accounts concluded that the Iraqi invaders had ousted the Sabah government with the intention of installing a pro-Iraqi regime. (Hourani 1991:36-41) The Gulf War, which was quickly dubbed as the World’s first post-Cold War crisis, badly split the Arab World so much so that 2nd August 1990 became as important in Arab history as 2nd November 1917, the date of the proclamation of the Balfour declaration providing for a Jewish homeland.

Within days, the United States, along with the United Nations, demanded Iraq's immediate withdrawal. The United Nations began the process of building a worldwide coalition under its authority. The United States also ordered economic sanctions against Baghdad and quickly froze both Iraqi and Kuwaiti assets. Saudi Arabia’s official reaction after the war broke out was:

“The kingdom of Saudi Arabia, while following with concern the events that had been taking place on the territory of sister Kuwait since dawn today, would like to clarify that king Fahd bin-Abd al-Aziz ...began at dawn today intensive contacts with his brothers the kings and presidents of the Arab states, starting with... president Saddam Hussein ... with a view to calming and normalizing the situation between the two fraternal countries, the Republic of Iraq and the states of Kuwait in the interests of all”. (Kumaraswamy 1991: 321)

Although, Saudi Arabia had purchased billions of dollars of American weapons over the years and the 66,000 Saudi armed forces were largely American trained, it had long resisted American requests for military base rights. However, following extensive telephone discussions between American President George H Bush and Saudi King Fahd, the Kingdom, despite traditional reluctance, allowed foreign military forces to be stationed on its soil. Saudi Arabia’s decision to invite American troops was extraordinary since the United States was traditionally the main supporter of Israel, a sworn enemy of the Arab countries. Significantly, the Kingdom also strongly believed that American anger at the Iraqi invasion of Kuwait was widely
contrasted with its tranquil acceptance of Israel’s defiance of a series of United Nations Security Council resolutions on Jerusalem, the West Bank, the Golan Heights and Lebanon earlier. Yet all this was ignored in the panic that followed US Secretary of Defense Richard Cheney’s ‘convincing’ report of an imminent Iraqi invasion of Saudi Arabia and the rest of the Arabian Peninsula. (Looney 1990:131-133) Accordingly, the United States dispatched troops to the Kingdom to ward off potential aggression against it.

Interestingly, this was not the first time that American forces were stationed on Saudi soil. The huge Dhahran Air Base had been used by the US Air Force from 1946 to 1962. In, 1963, President John F. Kennedy had ordered a squadron of fighters to Saudi Arabia to protect the Kingdom from Egyptian air assaults. In, 1980, President Jimmy Carter loaned four sophisticated airborne warning and control system aircraft and their crews to Saudi Arabia to monitor developments in the Iran-Iraq War. However, the presence of United States and other foreign forces prior to and during the Persian Gulf War was of an unprecedented magnitude. (Amos 1992: 68-71) In dispatching American ground troops and warplanes to the Kingdom, President Bush ordered one of the greatest American overseas military build-up since the Vietnam War. Although it was a gamble, most western analysts argued that a greater gamble would have been to risk allowing Iraq to conquer or coerce Saudi Arabia, an outcome that would give President Saddam Hussein control over 45% of the world’s oil reserves. More importantly, this decision in one move swiftly swept aside decades of mistrust and suspicion that had existed in the US – Saudi relationship, providing it a strong thrust towards a more positive and cooperative direction (Facts on File 1990: 581-583).

Despite the size of the United States and allied contingents, the military operations ran relatively smoothly. The absence of major logistical problems was due in part to the vast sums that Saudi Arabia had invested over the years to construct modern military facilities, acquire weapons and equipment and train personnel. (Al-Farsy 1990: 284-285) Significantly, countries like Jordan and Yemen, which found the “solution” offensive and dangerous, had to face the full wrath of Saudi Arabia. Some 800,000 Yemenis were expelled from Saudi Arabia subsequently causing economic hardship in Yemen and increased tension between the two neighbours. All subsidies from the
Kingdom to these countries were also stopped. Saudi Arabia ceased delivery of oil to Jordan and stopped buying its agricultural produce. Ironically, a country that had long opposed “Imperialism” and “Zionism” turned to a primary western military power for protection against another Arab country. In short, the invasion of Kuwait and the Arab reaction to it marked the end of a period of Arab consensus and solidarity. (Atkins 2002: 51-54)

Among the 29 nations constituting the international coalition force against Iraq, Saudi Arabia was the lynchpin of the American operations. Crucially, two powerful national symbols, the Royal Family and Islam combined to establish legitimacy for Saudi Arabia in the Middle East. The attack on Kuwait meant that there was no other state in the region in a position to act as a regional stabilizer. Although Iran was potentially the most powerful country in that part of the world, it was not an Arab state. Additionally, it was also seen predominantly as a continental power which wouldn’t be able to interact well with the outside world. Further, Iran was surrounded by larger countries, especially the Soviet Union and had been perceived as a marginal actor that could not be expected to play any constructive role in relation to the Middle East as a whole. (US-Saudi Arabian Business Council 2009)

The Arabian Kingdom provided the much needed political legitimacy, economic support and military logistics that a war of such proportions needed so much so that Operation Desert Storm was largely a US-Saudi affair. The United States sent F-15 fighter planes, 2300 paratroopers (approx), AWACS radar planes and US based B-52 strategic bombers to protect the Saudi mainland while its navy took up positions in the Gulf of Oman and the Red Sea to protect the Saudi coast from an Iraqi attack. (Kumaraswamy 1991: 322-325)

Meanwhile, a Saudi-led Arab summit, in a landmark decision, voted to send troops to Saudi Arabia and other Persian Gulf states to defend against any attack. Accordingly, Egypt, Syria and Morocco sent troops to fight the Iraqi military. King Fahd in his first public comment since the Iraqi invasion of Kuwait blasted it as “the vilest aggression known to the Arab nation in its Modern History. He told his countrymen that the American forces “were here to help defend the kingdom... and would leave as the Kingdom demanded. (Facts on File 1990: 597-598) By January of 1991, over half a
million allied troops were deployed in Saudi Arabia and throughout the Gulf region. By then, UN mediation and Saudi led Arab diplomacy had begun to reduce tensions as Iraq began looking to avoid a military confrontation with the multinational forces arrayed against it at sea and on the ground in Saudi Arabia. The United States continued to pour men and war material into Saudi Arabia. By this time, the US Navy with active Saudi support had begun to block Iraqi commerce while warships continuously monitored Iraqi tankers and cargo vessels in the Persian Gulf, the Gulf of Oman and the Red Sea. (Esposito 1991: 221-227)

“Operation Desert Shield”, as it was code named in the first phase, saw the most intense air lifting of American troops anywhere since the Second World War. The American Central Command was relocated temporarily to Saudi Arabia. The US Air Force was using almost all of its 284- aircraft fleet of huge C – 141 and even larger C-5 transport aircrafts to fly troops and supplies to the Persian Gulf. General Hansford T. Johnson, the Chief of the US Transportation Command to Saudi Arabia noted interestingly that - “The United States had moved a mid western town the size of Indiana, Fayette or Jefferson city, Missouri to the Gulf in a matter of two weeks” (Ibid: 233). More than one billion pounds (500 million kg) of arms, ammunition, food and other supplies had also been transported by sea and air in this time.

With Iraq unrelenting on Kuwait, most Arab leaders especially Saudi Arabia privately urged a massive American military strike while stating publicly that the multinational force assembled was there only for defensive purposes. Subsequently, when the war became a certainty, Saudi Arabia was given the ultimate responsibility for military operations involving the defense of the Kingdom, while the United States assumed responsibility for offensive operations outside. However, military operations against Iraqi troops in Kuwait had to be mounted largely from Saudi territory, which in turn required the joint authorization of King Fahd and President Bush (Facts on File 1990: 829-830).

Despite intense negotiations between US and Iraqi officials, Iraq refused to withdraw and so, on January 16, 1991, Allied forces began bombing of Iraq and her forces in Kuwait. Once the war in the Persian Gulf began in the early hours of January 17, 1991, the role and importance of information heightened. The feudal and tribal
character of Saudi Arabia left little room for the free flow of information. Hence, like its counterparts in most Arab states, the Saudi royal family was the only source of information for the people. (Al-Naqeeb 1990: 44-46) To its credit, the Kingdom described the war for the liberation of Kuwait as openly and continuously as below:

"At Dawn today, Thursday 2nd Rajab 1411, corresponding to 17th January 1991, formations of the Saudi and Kuwait air forces, and of the friendly American, British and French air forces, strafed the targets: Iraqi military installations and bases, starting the implementation of the joint operations plan...." (Kumaraswamy 1991: 320)

Since the war was predominantly an aerial affiar, the number of sorties flown became an important indicator of the role played by different countries. Together with its Arab allies, Saudi Arabia conducted about 8,200 air raids in 43 days (Ibid: 323-325). The significance of Saudi Arabia’s participation could be only understood by the fact that most other allies were inactive and uneasy to participate in the offensive. The military communiqués of Saudi Arabia mentioned of participation by Egyptian and Syrian ground forces in action only towards the end of the war. Most allies also avoided a proactive role since they felt that they were in Saudi Arabia “only to defend” it from a possible Iraqi aggression.

Table 3

Operation Desert Storm: Military Presence and Allied Forces

<table>
<thead>
<tr>
<th>United States</th>
<th>540,000 troops, 8 aircraft carriers, 5 submarines, 1376 fighter and attack aircrafts, 4,000 tanks, 1,700 helicopters, 1,800 airplanes, 2 battleships, 20 cruisers, 20 destroyers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>118,000 troops, 550 tanks, 180 airplanes, 175 fighter and attack aircrafts</td>
</tr>
</tbody>
</table>

Hence when one looked at the fragility of the coalition before the war, and various estimates, of its inevitable disintegration, Saudi Arabia’s success lay in maintaining it. (Conant 1991: 112-116) The role of the Saudi navy in detecting and destroying a
number of sea mines in the Gulf was also important. Similarly, Saudi Arabia not only provided monetary and military might but also demonstrated such an amount of flexibility for an Islamic society that it left many Western analysts surprised. For instance, Commander, General Khalid Bin-Sultan while responding to Iraqi claims that religious sites were being attacked, defended the ‘surgical bombing theory’ employed by the United States by reiterating that:

“This does not mean that Saddam may not demolish a mosque himself as part of his media campaign. With respect to al-Najaf and Karbala... religious sites and mosques are not only in Karbala and al-Najaf but everywhere” (Kumaraswamy: 1991: 123)

The allied bombing sought to damage Iraq's infrastructure so as to hinder its ability to fight while also hurting both civilian and military morale. To counter the air attack, Saddam ordered the launching of his feared SCUD missiles at both Israel and Saudi Arabia. He hoped to provoke the Israelis into striking back at Iraq, which he theorized would split the Arab nations from the anti-Iraq coalition due to the ongoing hostility between Israel and the Arab world. Israel almost came close to retaliating but held back due to President George Bush's pledge to protect Israeli cities from the Scuds. (Schraeder 1992: 414-424) As a result of this promise, US Patriot missile batteries were deployed in Israel to shoot down the Scuds. Another effort of launching the Scuds was to divert Allied air power from hitting the Iraqi army to hunting for the elusive mobile missile launchers. Even then, the Allied air strikes and cruise missile attacks against Iraq proved more devastating than expected. (Aburish 1996: 321-325)

When the Allied armies launched the ground war on February 23, 1991 the Iraqi occupation forces in Kuwait were already beaten. Cut off from their supply bases and headquarters by the intense air campaign, thousands of Iraqi soldiers simply gave up rather than fight, as the Allies pushed through Iraq's defenses with relative ease. In the few cases where the elite Iraqi forces, such as the Republican Guard stood and fought, superior American, British and French equipment and training proved the undoing of the Soviet-equipped Iraqis. (Hooglund 1991:3-7) By February 26 1991, American and allied Arab forces, along with the underground Kuwaiti Resistance, controlled Kuwait City and allied air forces pounded the retreating Iraqi occupation army. In southern Iraq, allied armored forces stood at the Euphrates River near Basra, and internal rebellions began to break out against Saddam's regime. On February 27, President
Bush ordered a cease-fire and the surviving Iraqi troops were allowed to escape back into southern Iraq. On March 3, 1991, Iraq accepted the terms of the cease-fire and the fighting ended. (Report n.d)

The defeat of Iraq eliminated all external challenges that Saudi Arabia’s leadership feared. In large measures the Gulf War was fought to prevent Iraq from its ambitious attempt to become the dominant regional power. The coalition arrayed against Iraq testified to the undesirability of such an outcome. A “Greater Iraq” having fought a war first with Iran and then with other Arab states, would truly have been in a position to influence events throughout the region. Hence, with the Iraqi military campaign in Kuwait crushed, it left Saudi Arabia in a dominant and unchallenged position in the region. (Sours 2003: 43-47). The Kingdom became the “official spokesperson” of the Arab World in the eyes of the United States. The presence of over 5000 American military personnel in the Kingdom also confirmed a newfound understanding. Most of these personnel were involved in enforcing no fly zones over various parts of Iraq. The agreement for a large-scale deployment of US personnel, during and after the Gulf war, represented a major shift in Saudi foreign policy. (Prados 1996: 5)

The end of the Cold War had made it possible for the United States to forge an international coalition against Saddam Hussein and win the Gulf War with negligible losses. The triumphant war to defend the Arabian Peninsula and liberate Kuwait marked a high point for the US - Saudi partnership, yet the danger from Iraq persisted. US Vice President Cheney’s pledge notwithstanding, Western forces remained in the Kingdom even in the absence of any formal agreement on their status. The terms of the enforcement of the "no-fly zone" over southern Iraq by British and American warplanes also remained a matter of particular sensitivity. (Heard 2003)

**An Emerging Arms Market**

A significant offshoot of the explosive growth of Saudi oil revenues in the 1970s was the ability of the Kingdom to purchase advanced armaments in large quantities. The importance of security needs for Saudi Arabia increased appreciably after the Iranian Revolution in 1979 and the outbreak of the Iran-Iraq War, which featured Iranian missile attacks on Persian Gulf shipping and air sorties against Saudi air defenses in
the 1980s. Saudi Arabia decided to focus in particular on building up the Royal Saudi Air Force\(^3\) and selected the United States as their supplier of choice. (Hershey Jr. 1978)

In many ways, the Gulf War left a significant mark on military cooperation between both the countries. The looming threat of an Iraq, which was wounded badly, but not finished, pushed Saudi Arabia into increased military cooperation with the United States in the post Gulf War period. The Kingdom felt that it owed a tremendous debt to the countries whose forces had defeated Iraq particularly the United States. It began repaying this debt in part by purchasing large quantities of weapons from American firms and by supporting the US led peace process between Israel and the Palestinians. (US House of Representative Issue Brief 1997) Saudi Arabia signed several major contracts for American weapon systems.

With an active conflict between Israel and Palestine enraging and with a rise in fundamentalist groups in the region, who resorted to violent methods for redressal of their grievances, the American defense of the Kingdom quickly shifted from the goal of preserving oil supplies to protecting an emerging market for arms systems and big engineering projects in the Post Cold War era. (Citino 2002: 78-79)

Thus, Saudi Arabia emerged as one of the largest arms purchaser in the Third World in the 1990s. During the period from 1988 to 1995, the Saudis bought $67.1 billion worth of military equipment accounting for nearly 30% of all third world arms agreements during the above eight-year period. When it was flush with so-called petrodollars, it bought whatever it could from the United States especially warplanes, missiles and jetliners. It also gave away contracts worth $ 17.9 billion to American companies from 1991 to 1995. (Heikal 1997: 131-142) The arms agreements between the United States and Saudi Arabia alone amounted to $22.8 billion from 1991 to 1998. The total value of US arms agreements with Saudi Arabia from 1950 through to 1998 stood at $93.8 billion.

\(^{3}\) RSAF
### Table 4
**US Arms Transfers to Saudi Arabia, 1950-1998**

<table>
<thead>
<tr>
<th>Category</th>
<th>Orders</th>
<th>Deliveries</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$ in Billions</td>
<td>% of Total</td>
<td>$ in Billions</td>
<td>% of</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>93.824</td>
<td>-</td>
<td>58.167</td>
<td>-</td>
</tr>
<tr>
<td>Support Equipment</td>
<td>16.614</td>
<td>17.7</td>
<td>9.815</td>
<td>16.8</td>
</tr>
<tr>
<td>Spare Parts &amp; Modifications</td>
<td>9.778</td>
<td>10.4</td>
<td>5.259</td>
<td>9.0</td>
</tr>
<tr>
<td>Supply, Repair, Training</td>
<td>29.615</td>
<td>31.6</td>
<td>17.804</td>
<td>30.6</td>
</tr>
<tr>
<td>Construction</td>
<td>17.924</td>
<td>19.1</td>
<td>16.197</td>
<td>27.8</td>
</tr>
</tbody>
</table>

**Note:** *All figures are through March 31, 1997.* (Prados 2002)

Significantly, 19% of the value of US - Saudi arms contracts was for lethal equipment; the largest portion (29%) went for support services⁴. Another major component was for the construction of military bases and facilities which accounted for the largest share (31%) through 1990 and the second largest share (24%) for the entire period. Significantly, all these purchases generated abundant employment for American military and aerospace workers.

US Company, AT&T, significantly, won a $4.1 billion contract to upgrade the Saudi telecommunications system in May 1994. An agreement to extend the Joint Commission for economic affairs established in 1975 was signed and a Business Council Session for the two countries was also opened in April 1995. US and Saudi officials signed a $6 billion contract to purchase 61 US commercial aircrafts in October 1995. (Prados 1996) Contracts for the biggest oil field projects during that

⁴ repairs, rehabilitation, supply operations and training
time like the Shaybah structure also went mainly to American Companies. (Ibid) The significant military trade also largely influenced the Clinton administration’s decision to remove Saudi Arabia from the US Trade representative’s priority watch list in recognition of its progress in the protection of intellectual property rights in 1996. American exports to Saudi Arabia totaled $39 billion in which more than $30 billion came from the advanced manufacturing industries from 1998 to September 2001. Saudi Arabia also contributed $2 billion\(^5\) per year to American military equippers and trainers and another $2 billion\(^6\) in services export earnings and dividends paid to American joint venture partners in the Kingdom. The military cooperation between the two countries became so significant that it caused many concerns to the Jewish lobby in the United States which was seriously threatened by the enhanced levels of engagement. (Encyclopedia Britannica Online, n.d: 223-228)

Ironically, despite robust cooperation in military affairs, the importance assigned to political relations, declined substantially after 1993. In matters of the Middle East, the Clinton administration was largely preoccupied with the Israel - Palestine crisis in the 1990s. The administration’s overriding policy interest focused on the health of the domestic economy and for Saudi Arabia this also meant a shift in focus from foreign policy matters to balance-of-trade issues such as the purchase of civilian airliners and later oil prices. Crucially, Saudi Arabia’s sense of obligation to the United States for its support during the Gulf War had begun to wane by 1996.

The decreasing momentum in political relations also had a “domino effect” on the increasingly downward trend in arms procurement by Saudi Arabia from the late 1990s. Although, it completed many of its post-Gulf War purchases, the Kingdom had begun to face a distressing financial situation around this time. The financial strains, the consequence of a decade in which the country lived beyond its means, also began to unravel. (US State Department, 1998) Burdened by debt from the Persian Gulf War and declining oil revenues, it was forced to renegotiate payments with the US government and American defense contractors. This fundamentally also reshaped the relationship between Riyadh and Washington. American observers felt that the heavy spending on weapons had forced Saudi Arabia to cut subsidies and patronage that had

\(^5\) conservative estimates
\(^6\) conservative estimates
bought domestic tranquility for the monarchy. (Cipkiwski: 1992) William Quandt, a
former White House official in the Nixon and Carter Administrations responsible for
the Middle East made this observation:

"They've tilted the wrong way. All the billions they've spent on arms haven't been
very useful to them. This is not a popular regime. It's a huge patronage system that
has spread the wealth around. If you take that away, you could contribute to a political
crisis."

Large arms sales to Saudi Arabia had helped keep American defense contractors'
production lines open and had been quite significant for the balance of trade. (Doran,
orders for American military manufacturers who were already reeling from the end of
the Cold War. Hence, the United States continued to make every effort to ensure that
Saudi Arabia could buy on credit what they once bought with cash. Many officials of
the Clinton administration saw these sales as crucial in keeping American arms
makers afloat while the US military was taking steps to shrink. There were some
significant decisions taken by the Clinton administration to this effect. The first was
the decision by the Pentagon to ease the terms of payment when a Saudi cash-flow
crisis threatened billions of dollars worth of weapons deals in 1992-93. The second
was the guarantee of the United States Export - Import Bank of more than $6 billion
in loans for the purchase of airliners by Saudi Arabia. There was also an intense
debate within the United States on how much the financial troubles of Saudi Arabia
affected its creditworthiness. Significantly, the Federal Reserve officials argued
unsuccessfully to lower the Saudi Arabia's credit rating, a move that would have
damaged the ability of the Kingdom to borrow from American banks. (Engelberg
1993)

Ironically, the United States continued to be Saudi Arabia's leading arms supplier.
Although the Kingdom had ordered US arms worth only $7.3 billion during the period
from 1998 to 2005, United States delivered arms worth $22.9 billion which also
reflected orders from earlier years. Saudi arms purchase figures included not only
lethal equipment but also significant amounts of support services and construction.
Saudi Arabia also bought three arms packages containing $416 million in light
armoured vehicles, anti-tank missiles and advanced communications equipment; $
690 million for maintenance support for its fleet of F-15 fighter aircrafts and $1.6 billion in flight simulators, repair parts and other technical services for the F-15 aircrafts in September 2000. (Kagan and Kristol 2002)

Nevertheless, neither the buying sprees of past decades nor recurring moves to alternate suppliers lessened the Kingdom’s essential dependence on the United States for its defense and security. The volatile environment around the Kingdom, with a renewed Israel-Palestine conflict, made Saudi Arabia realize the importance of closer cooperation with the United States. This might have influenced its decision to continue receiving the continuous arms supply even in credit. However, having said that, it did not totally obscure political issues of mutual concern nor influence Saudi Arabia to accept American diktats on policy formulations. Rising oil prices, increased regional tensions, and counterterrorism requirements led Saudi defense and security officials to continuously reassess the Kingdom’s defense needs.

Saudi Arabia was furious with the lack of US support for the Saudi initiatives in resolving the Israel – Palestine conflict. The Kingdom’s attention now turned to Iran which, since the Islamic revolution, had purportedly sought to export it to other countries in the region with significant Shiite populations, such as Iraq, Lebanon, Bahrain, and Saudi Arabia. (Emerson 1995: 122-126) In the aftermath of the first Gulf War, Saudi Arabia, initially, sought to cultivate closer relations with Iran. Crown Prince Abdullah was particularly keen to put a distance between his policies and the unpopular pro-Western policies of King Fahd He apparently assessed that the United States would continue to support the Saud family despite the Kingdom’s friendly gestures towards Iran and turned his attention to improving regional relations. Saudi Arabia scampered back to its traditional role of trying to balance regional forces and to co-opt or placate its foes. (Benhorin 2007) The powerful Crown Prince Abdullah began to develop closer relations with Iran. Soon dignitaries from Iran and Saudi Arabia were exchanging visits and the two countries began cooperating in several matters. However, subsequently, it began opposing Iran, largely coerced by the United States to give tacit support to the policy of “dual containment”7 in which Washington sought to depict Iran as a ‘rogue’ state that supported terrorism. The

7 isolating both Iran and Iraq
Kingdom also resolved several long-standing border disputes including significantly reshaping its border with Yemen. (Committee on International Relations, 1997)

**US - Iran Nuclear Standoff**

For nearly 50 years, worries about a nuclear Middle East centered on Israel’s ambition to possess nuclear capability. Arab leaders resented the fact that Israel was the only atomic power in the region, a resentment heightened by the American support for Israel. However, interestingly, when the Arab League’s secretary general, Amr Moussa, called for “a Middle East free of nuclear weapons” in May 2006, it wasn’t Israel that prompted his remarks. He was worried about Iran which was increasingly suspected of having growing ambitions to become a nuclear power. (Fathi 2006)

Ironically, the anti-Israel statements of the Iranian president, Mahmoud Ahmadinejad, coupled with Iran’s support for Hezbollah and Hamas should have convinced the other Arab states to welcome Iran’s nuclear program. After all, the call to wipe the Zionist regime from the map was a longstanding cliché of Arab nationalist rhetoric. However, the interests of Shiite non-Arab Iran did not always coincide with those of other Arab states. A nuclear Iran meant, at the very least, a realignment of power dynamics in the Persian Gulf. It also potentially meant a historic shift in the position of the long-subordinated Shiite minority relative to the power and prestige of the Sunni majority which traditionally dominated the Muslim world. Many Arab Sunnis feared that the moment would be ripe for a Shiite rise. Iraq’s Shiite majority was asserting the right to govern and the lesson was not lost on the Shiite majority in Bahrain and the large minorities in Lebanon and Saudi Arabia. (Sick 2003) Despite Iran’s defiance of the United States and Israel, which won support among some Sunnis, on the ground in Iraq, there was increasing violence between Sunni takfiris and Shiite militias who were killing civilians from each other’s community indiscriminately.

Geopolitics was not the only reason Sunni Arab leaders were rattled by the prospect of a nuclear Iran. They also were worried about the repercussions in the event of Iran using nuclear weapons against Israel that would engulf the whole region. Saudi Arabia, in particular, knew that if Iran was going to get the bomb, it had no choice but
to keep up. Small principalities with huge US Air Force bases, like Qatar, might have still relied on an American protective umbrella but Saudi Arabia, which had always seen Iran as a threatening competitor, was not willing to place its nuclear security entirely in American hands. The Saudis were growing concerned that Iran would build a nuclear bomb and become the de facto superpower in the region. Hence, the Kingdom along with other Persian Gulf countries announced plans to develop nuclear energy for peaceful purposes. (Kemp 2001)

Simultaneously, there was also a growing debate within Saudi Arabia which centered on how Iran had to be confronted. A section within the royal family proposed taking Iran head on by urging the United States to use force if necessary while another section of the royal family supported diplomatic maneuvering by a grand bargain Iran would find hard to refuse. This sharp split in opinion burst into the open when Prince Turki al-Faisal, Saudi Arabia’s ambassador to Washington, abruptly resigned. The resignation was seen by many in the United States as part of a long-running battle over Saudi Arabia’s foreign policy. Privately, some Saudi officials and analysts who had knowledge of the situation reportedly indicated that Prince Turki resigned over deep differences with Prince Bandar bin Sultan, the national security minister and former Washington ambassador, over how to deal with Iran. Prince Bandar was believed to have favoured the tough American approach of confronting Iran while Prince Turki advocated more diplomatic tactics including negotiating with Iran. Prince Turki had reportedly lobbied Washington for a broader policy that eschewed a military confrontation in favor of a policy that would strike Iran’s interests. (Leverett 2009) Khalid al-Dakhil, a professor of political sociology at King Saud University in Riyadh explained –

“"The Saudis made a big mistake by following the Americans when they had no plan. If the Saudis had intervened earlier and helped the Sunnis they could have found a political solution to their differences, instead of the bloodshed we are seeing today." (Fattah 2006)

Domestically, many Saudis had grown openly critical of the country’s policy on Iraq, citing its adherence to an American-centric policy at the cost of Saudi interests. They felt that the Kingdom had lost significant strength and stature in Iraq, Lebanon and the Palestinian areas, while Iran, with its populist, anti-American agenda, had benefited.
A group of prominent Saudi clerics and university professors also called on the royal family to begin actively backing Iraq’s Sunnis. However, Prince Turki’s resignation clearly indicated that Saudi Arabia had chosen to go full force with the United States. Abdelrahman Rashid, managing director of the satellite news channel Al Arabiya and a respected Saudi columnist echoed the growing sentiments in the royal family: “The possibility of having a conflict is very high. Who will face the Iranians tomorrow? Just the Israelis alone? I don’t think that is possible.” (Feldman 2006)

The United States had strong reasons to stop Iran from acquiring nuclear weapons—not simply because Iran was seeking to become a greater regional power, as any nation might do, but also because it was spewing anti-Americanism. The increasing instability in the Middle East with the active presence of many dictators and other sub state groups made nuclear proliferation in the region more worrisome than almost anywhere else on earth. As nuclear technology spread, terrorists enjoyed increasing odds of getting their hands on the nuclear weapons. North Korea, now protected by its own bomb, had threatened proliferation and in the Middle East it would have found a number of willing buyers. (Broad and Sanger 2008) A nuclear Iran would be a stronger and more effective enemy in pursuing anti-American policies under the banner of Islam.

Hence, the United States stepped up pressure against Iran in an effort to dissuade it from proceeding with the development of its nuclear program in early 2006. The Bush administration accused Iran of not having the right to enrich uranium as it was a violation of the Treaty on the Non-Proliferation of Nuclear Weapons eight which required signatories to disclose all their nuclear activities. It accused Iran of having failed to disclose all of its activities. (Bureau of Near Eastern Affairs, 2009) and argued that given the nature of the regime in Tehran, Iran had lost its right to enrichment because it had failed to disclose its activities. As a result, the Bush administration engineered sanctions on Iran through the United Nations and implicitly threatened Iran with military action.

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8 NPT
In response, Iran strongly denied Washington's claim that its covert intention was to develop nuclear warheads and stated that US military actions would only result in Iranian retaliation. It also claimed that disclosing its peaceful enrichment activities would have led to the voiding of its rights under the Nuclear Proliferation Treaty\(^9\) even earlier. (Askari 2007) In response to the UN sanctions, Iran announced an end to its cooperation with the International Atomic Energy Agency\(^10\) and ordered the IAEA to discontinue its surveillance of Iran's nuclear facilities and to remove all signage from their nuclear sites. US media reports in early March 2007 also claimed that Tehran was planning a retaliation contingency against Israel should the latter go forward with a strike against Iran's nuclear facilities as then Israeli Premier Ariel Sharon had threatened. With both sides clearly sticking to their position, the world was now at the brink of another war, the third involving the United States in just 6 years after the September 11 attacks.

Saudi Arabia was worried that another conflict in the region, which produced most of the world's energy, would be a disaster for everyone. So, it made an ambitious offer to Tehran aimed at defusing the growing crisis in November 2007. The Kingdom along with a consortium of Arab Gulf states invited Iran to produce enriched uranium jointly where the plant could be properly monitored by international observers. Saudi Arabia was also keen that the proposed plant be built in a neutral third country like Switzerland. While the offer provided an imaginative solution to the crisis in the Gulf, Iran was determined to press ahead with the construction of its own nuclear programme. (Beeston 2007)

To ratchet up the financial pressure on Tehran effectively, the United States used the UN Security Council where possible but also found a way to work outside of it. To succeed at the latter, it persuaded not only foreign governments but also non-American companies to join the effort. The strategy that was developed put the Department of the Treasury in the lead in building pressure outside of the UN with the Department of State responsible for efforts at the Security Council. There was cause for optimism that targeted financial measures against Iran would work at least in part

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\(^9\) NPT
\(^10\) IAEA
because of the Treasury Department’s success in North Korea earlier. (Zaborski 2005: 153-167)

The Treasury Department focused specifically on Iran’s illicit conduct, its weapons of mass destruction\textsuperscript{11} related activity, support for terrorism, and deceptive financial practices—and its dangerous ramifications for the integrity of the global financial system. The focus of the Treasury Department’s actions were also on those involved in Iran’s nuclear and ballistic missile programs, with more than 20 key Iranian entities and individuals listed under Executive Order 13382, issued in June 2005. (US Department of Energy 2007) These efforts had considerable success in ramping up financial pressure on Iran. Major global financial institutions, including three major Japanese banks, Switzerland’s Credit Suisse, Germany’s Deutsche Bank and Commerzbank, and the United Kingdom’s HSBC either terminated or dramatically reduced business with Iran. Overall, the number of foreign banks operating in Iran sharply declined since 2006, dropping from 46 to 20. In December 2006, the Iranian oil minister Kazen Vaziri Hamaneh confirmed that the industry was having difficulty financing its development projects because overseas banks and financiers had decreased their cooperation. As a result, Iran’s oil production fell and was likely to decrease further without significant foreign investment. This trend was potentially devastating for Iran as some experts believed that without major foreign investment in Iran’s aging oil fields, the country’s oil exports could disappear by 2015. (McFaul, Milani and Diamond 2007)

However, what was most problematic to the United States was that the sanctions had not persuaded Iran to cease activity on its nuclear program. Iranian leaders including President Ahmadinejad publicly claimed that sanctions and other forms of international pressure would have no effect on their nuclear activities. Some American observers, however, believed that the political and economic problems did have an effect on the Iranian regime’s thinking about the nuclear issue. Eizenstat noted, “I think it’s one of the reasons there’s at least the beginning of a debate in Iran about whether it’s wise to go forward with the nuclear program.” Iran expert Kenneth Katzman argued that the political developments indicated that the US strategy was

\textsuperscript{11} WMD
working, adding, "We do see signs of a strategic reassessment in Iran." (Jacobson 2008)

New Weapon Sales and the Gulf Security Dialogue

In mid-2006, the US State Department made an effort to revive some of the US – Gulf Cooperation Council\textsuperscript{12} defense cooperation that had begun during the Clinton Administration but had since languished as it focused on the post-September 11 Wars in Afghanistan and Iraq. In a press interview in November 2006, then Assistant Secretary of State for Political Military Affairs John Hillen discussed a "Gulf Security Initiative" now termed the Gulf Security Dialogue\textsuperscript{13} to boost Gulf state military capabilities. The GSD fueled speculation about major new weapons sales to the GCC states, including Saudi Arabia. Director of the Defense Security Cooperation Agency, Lt. Gen. Jeffrey Kohler, responsible for managing official sales to foreign states, confirmed this speculation in October 2006 by indicating that the Gulf initiative was likely to drive up weapons sales to the Gulf countries in 2007-08. According to Lt. Gen Kohler, improving their missile defense capabilities, for example by sales of the upgraded Patriot Advanced Capability-3\textsuperscript{14} was high on the agenda. Among other potential weapons sales that he discussed were border and maritime security equipment including radar systems and communications gear. (Campbell 2004)

The US Congress had also not blocked any sales to the GCC states since the 1991 Gulf War, although a section of the Congress expressed strong reservations about sales of a few sophisticated weapons and armament packages. Some Congressional members believed that sales of sophisticated equipments to Saudi Arabia could erode Israel's 'qualitative edge' over its Arab neighbors, if the Gulf States were to join a joint Arab military action against Israel or transfer weapons to 'frontline' states. Other members were concerned that some US systems sold to the Gulf contained missile technology that could violate international conventions. (Ibrahim: 1998) However, successive US administrations have supported the idea of arms sales by maintaining that the Gulf States were too dependent on US training, spare parts, and armament

\textsuperscript{12} GCC
\textsuperscript{13} GSD
\textsuperscript{14} PAC-3
codes to be in a position to use sophisticated US - made arms against Israel or any other US ally.

Critics of the Gulf Security Dialogue questioned both the effectiveness of the initiative and the stated goals. Press reports in the US media suggested that the Israeli government’s reservations about the Bush Administration’s plans to sell advanced weapon systems to Saudi Arabia and other Persian Gulf countries could delay planned sales under the US Gulf Security Dialogue. However, the Bush Administration notified Congress that it had approved over $9 billion worth of potential U.S. military sales to Saudi Arabia in late July 2006. Significantly, the Congress again did not act to block the sales within the allotted 30-day period.

Main Organizational Elements of the Security Partnership

Table 5

US Military Presence in Saudi Arabia

The three symbols above represented the American military's presence in Saudi Arabia. The formal US Military Training Mission\textsuperscript{15} presence dated to the early 1950s. The USMTM mission had evolved from one of working directly with Saudi military units to assisting in the management of Saudi Arabia's $65 billion foreign military sales\textsuperscript{16} program. The Chief USMTM routinely met with the Saudi Chief of Staff and the Minister of Defense and Aviation.

\textsuperscript{15} USMTM, seal on left
\textsuperscript{16} FMS
The advisory relationship with the Saudi Arabian National Guard\textsuperscript{17} dated back to a memorandum of agreement signed before the Arab-Israeli war of 1973. The US head of the Office of the Program Manager for SANG typically reported to Crown Prince Abdullah on a weekly basis - the best access of any westerner to the defacto Saudi regent. (Library of Congress Country Study: 2002)

The Joint Task Force-Southwest Asia\textsuperscript{18} was created in August 1992 to enforce the no-fly zone over southern Iraq. USAF units rotated in and out of Prince Sultan Air Base every 120 days to carry out the mission The French flag, which appears in this version of the seal, stopped flying Southern Watch missions in 1996 after the United States extended the no-fly zone coverage to 33 degrees north in response to the Iraqi attack on Irbil. (Library of Congress Country Study: 2002)

Ironically, if Saudi Arabia clearly recognized the benefits of its economic relationship with the United States, it always showed uneasiness over the military ties between the two. In the broadest sense, the security relations involved a trade-off between the American desire for access to a strategic military base and the Saudi desire for reassurance of an American commitment to protect the regime against foreign threats. The United States did not want its military commitment to become so broadly constructed that it would possibly entangle itself in regional conflicts and into a position of choosing sides on the Arab-Israeli issue. (US Department of State: 2006) Saudi Arabia, on the other hand, remained highly sensitive to any perceived infringement of its sovereignty and to accusations by other Arab states that they had relinquished any portion of their sovereignty to a foreign power by granting bases.

\textbf{The Arab - Israeli Conflict}

The Arab - Israeli conflict was an extremely critical factor in the US - Saudi Relations. The famous meeting of King Abdal Aziz with American President Franklin Roosevelt in February 1945 which actually centered on the Arab-Israeli dispute over the Palestinian territory was often considered as the turning point in political relations between the two countries. President Roosevelt, a supporter of Jewish immigration,
was so charmed by the King that he personally promised that the United States would not take any position on the Palestine problem without consulting both the Arabs and Jews. By the end of the Second World War, the United States had significantly expended nearly $100 million in Saudi Arabia for oil exploration. (Ayoob 1981: 13-18) Although both countries did not share any borders, the Kingdom’s relationship with Washington became the cornerstone of its foreign and regional security policy. As leader of the resurgent moderate Arab states, so long placed on the defensive by Arab radicals, Saudi Arabia was also seen by the United States as an influential friend and a vital link in winning over other Arab nations that could result in a comprehensive Arab-Israeli peace. (US-Saudi Business Council Report)

The birth of Israel in 1948 created significant differences between the allies. President Roosevelt and his successors could never find a solution to the Palestine problem, which was acceptable to the Arabs, given the pressures of American domestic politics where the Jewish lobby had a significant presence. However, the increasing volatility in the region fuelled by the creation of Israel made Saudi Arabia realise the importance of keeping close relations with the United States. The Kingdom supported Palestinian national aspirations and strongly endorsed Muslim claims in the old city of Jerusalem. However, Saudi resentment over American support of Israel was outweighed at that time by the continuing perception of encircling external threats to its security and the desire for receiving a commitment from the United States for protection against such threats. (Joseph, Macmillan et al: 2002) Subsequently, the Kingdom quickly approved the first comprehensive plan for building a modern Saudi armed force which was devised through the O’Keefe report made by a survey team headed by Major General Richard O’Keefe. (Freedman 1986: 22-24)

This development influenced Saudi Arabia’s decision to not break relations with the United States in two specific situations. The first was when the expiration of the Dhahran agreement and increasing Arab - Israeli tensions, brought about by the Suez Canal crisis, forced the Kingdom to join an ‘Arab Defensive Alliance’ leading to tensions with the United States in October 1955. The second was, following the 1967 Arab-Israeli war, when most of the Arab States broke off relations with the United States. (Citino 2002: 61-66) Even though the Saudi desire for American military support against encirclement persisted over the years, the resentment caused by the
American support of Israel created ambiguity in their military relations. The 1973-1974 energy crises catapulted Saudi Arabia into a regional power. With Iran being destabilized by the revolution, subsequently leading it to a 7-year war with Iraq, the United States also had no choice but to enlist Saudi diplomatic assistance for stability in the region.

**Faud Plan and the Role of a Mediator**

Having largely ignored it, prior to the energy crisis of 1973, Israel now increasingly began to view Saudi oil power as a greater threat than the combined capability of all Arab armed forces. Although Saudi and American interest coincided in their mutual desire for a peaceful solution, Saudi suspicions increased after the Camp David accord between Egypt and Israel in 1978. The United States, by now, had got bogged down in Lebanon and its relations with Syria had deteriorated. (Nolte 1977) Hence Saudi Arabia took upon itself the role of an Arab mediator, preventing the United States to cozy up to Israel on the one hand and Syria to the Soviet Union on the other.

It was King Faud who took the initiative of announcing the 'Faud plan' that detailed a comprehensive settlement of the Arab-Israeli problem in 1981. (Emerson 1995: 97-101) Although Saudi Arabia expressed its intentions of recognizing Israel, the latter did not trust the plan. The United States, caught in a ticklish position, did not altogether discourage Saudi Arabia from taking this initiative in view of its rising profile in the region. Around the same time, the Reagan administration also provided a significant number of troops to the country along with Awaacs & F-15 aircrafts despite stiff resistance from Israel and the US congress. (Quandt 1981)

Saudi Arabia, encouraged by the United States, began playing a behind-the-scenes role in the Israeli-Palestinian peace negotiations in the 1990s. It persuaded Syria to attend the October 1991 Madrid Conference that opened the post war peace dialogue in the region. It held observer status at the conference and made efforts in an unsuccessful effort to soften Syria's position against Israel. Following the signing of the Oslo Accords between Israel and the Palestine Liberation Organization19 in 1993,

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19 PLO
the Kingdom buried its anger at PLO chairman Yasir Arafat for having supported Iraq during the Persian Gulf War. It pledged large sums of money to support the development of the Palestinian Authority and also led the Gulf Cooperation Council to withdraw from a long-standing Arab League boycott of companies either directly or indirectly doing business with Israel in 1994. (Miller 1997)

**The Clinton Administration’s Policy**

The Clinton administration’s energetic engagement to the Middle East peace process added further impetus to growing relations between the United States and Saudi Arabia. Consequently it kept the Arab-Israeli conflict from escalating for the better part of the decade. However, when the Clinton administration turned to Jordan and Egypt on account of their peace treaties with Israel to serve as Arab intermediaries, Saudi Arabia was annoyed and chose to maintain a distance. (Agmon 1993: 131-137)

Accordingly, the breakdown of the Israeli-Palestinian peace process and the beginning of the Second Intifada renewed tensions between Washington and Riyadh. This was reflected in an incident that took place during the funeral of King Hussein of Jordan in 1999, the most active Arab leader until then in the peace efforts. President Clinton reportedly, without warning, approached Saudi Crown Prince Abdullah enquiring if he would like to be introduced to Israel’s leaders’ right then. Abdullah is reported to have replied brusquely, saying, "I believe, Your Excellency Mr. President, that there are limits to friendship." The outbreak of the Israeli-Palestinian conflict in September 2000 further tested those limits. (Bureau of Near Eastern Affairs 2009)

The conflict disrupted the Middle East peace process and ended a relatively easy period in America’s post-Cold War experiment in balancing relations between Jewish and Arab allies. The coming of age of Arabic-language satellite television news channel and the introduction of the internet made the Kingdom’s youthful populace aware and angry at Israeli military actions against the Palestinians. The young Saudis were also enraged at the United States, which was widely perceived as backing Israel. They also began to vigorously oppose the Saudi royal family’s ties with the United States. (Robinson 2000)
Saudi Arabia was extremely critical of Israel during the Palestinian uprising in the occupied West Bank and Gaza. Unlike several other Gulf countries, Saudi Arabia did not establish any trade or liaison channels for communication with Israel. At the same time, it continued to support the US policy by endorsing Israeli - Palestinian peace agreements. The Kingdom also joined neighboring Gulf States in terminating enforcement of the so-called secondary and tertiary (indirect) boycotts of Israel while retaining the primary (direct) boycott and adopting a more pro-active approach to peacemaking. (Prados and Blanchard, 2007)

While continuing to maintain pressure on Washington, Saudi Arabia pledged $225 million dollars in aid to the Palestinian Authority in April 2001. The United States, in turn, found itself caught between Jerusalem’s insistence that it ought to support Israel’s defense of its citizens against terrorist attacks and Riyadh’s insistence that it intercede forcefully with Israel against its depredations in the territories. In one interview, a senior Prince declared that the "reputation of the United States in the Arab region has dropped to zero," adding that "too biased a stand makes an awkward situation for America’s friends." (Joseph, Macmillan et al: 2002)

The Bush Jr. Administration’s Policy

President George W. Bush entered office in January 2001 amidst growing tensions as the fighting between Israel and Palestine provoked anti-American reactions in the Middle East. However the new President brought two other inheritances that initially seemed like potential mitigating factors. The first factor was the personal relationship between the Bush family and the Saudi royals, inherited from Clinton’s predecessor and the new President’s father, George H.W. Bush. This connection seemed to offer hope to Saudi Arabia of a renewal of the relationship through known channels. (Kagan and Kristol 2002: 73-75) The first Bush administration had confronted Israel over the expansion of Jewish settlements in the West Bank and the Gaza Strip and brought Prime Minister Yitzhak Shamir’s government to the peace table at Madrid. Like his father, the younger Bush was a former oilman who was likely to grasp the importance of US-Saudi relations. Significantly, the new President also returned to office with two senior officials familiar from a decade before, Vice President Dick
Cheney and Secretary of State Colin Powell and was presumably receptive to his father’s advice.

The second factor was the heightened expectations inherited from the presidential campaign, in which Bush emerged as the "Arab" candidate, while his Democratic opponent, Vice President Al Gore, chose an Orthodox Jew, Senator Joseph Lieberman, as his running mate. (Boot 2004) Governor Bush appealed directly to Arab-American voters during the candidates’ second televised debate and won a significant number of their votes on Election Day. (Falkner 2003)

The informality of the arrangements governing the US and British military presence was also a continuing source of tension and it became an acute problem after the allies mounted a large air raid from Prince Sultan Air Base against air defense targets around Baghdad, apparently without providing prior notice to Saudi Arabia in February 2001. Shortly, after a special Pentagon press conference announcing and explaining the attack, President Bush played it down, describing it as "routine." Following this episode, Saudi Arabia imposed operational restrictions on allied warplanes operating out of the air base, forbidding them to conduct further offensive operations against Iraq. In June 2001, Interior Minister Prince Nayaf bin Abd al-Aziz again underscored the Saudi government’s desire to assert its exclusive sovereignty in matters related to hosting foreign forces, ruling out extradition of suspects held in the Khobar Towers bombing case: “no other entity has the right to try or investigate any crimes occurring on Saudi lands.” (Doran 2004)

What seemed like positives of the new administration, however, only created considerable misunderstanding and confusion in Saudi Arabia when the new President showed little inclination to follow in his father’s footsteps in the Middle East. The Bush administration shifted from one stance to another seeking to mollify Saudi Arabia and Israel alternately. One consistent point in the President’s personal diplomacy was to shun Palestinian leader Yasir Arafat while frequently inviting Israeli Prime Minister Ariel Sharon for consultations at the White House. Possibly in response to this choice, the Crown Prince Abdullah refused an invitation to Washington, preferring to communicate by a series of telephone calls and letters from Riyadh. While maintaining this distance, he repeatedly called on President Bush to
restrain Israel. Prince Abdullah’s discontent became a sufficiently troubling matter in Washington that in mid-July 2001, the New York Times, citing both "a senior administration official" and "a Middle East diplomat" reported that the former President George Bush had phoned the Crown Prince to engage with him warmly, telling him that his son’s "heart is in the right place" and that he was "going to do the right thing." He again urged the Saudi leader to visit the United States without success. (Jehl 2001)

The elder Bush’s entreaties and assurances notwithstanding, the Crown Prince eventually turned to brinkmanship behind closed doors dispatching Ambassador Bandar to threaten a break in the formerly close relationship. The Ambassador’s demarche indicated that Crown Prince Abdullah had no intention of allowing himself to become the next Shah of Iran. The Ambassador declared that: "a time comes when peoples and nations part. We are at crossroads. It is time for the United States and Saudi Arabia to look to their separate interests." (Pollack 2002) Less than two days later, the Americans provided the Saudi embassy with a presidential letter, which Bandar carried back to Riyadh. Addressing the Crown Prince’s concerns, it confirmed Bush’s commitment to the establishment of a Palestinian state. According to one account, Abdullah shared Bush’s letter and the text of his own original complaint with fellow Arab leaders, including Yasir Arafat, whom he summoned to Riyadh. The Saudis then wrote back to Bush, attaching a letter from Arafat pledging to fulfill Bush’s requirements for restarting the peace talks and returned their ambassador to Washington. (Atkins 2002)

The Abdullah Peace Plan

Crown Prince Abdullah proposed a peace initiative calling for full Israeli withdrawal from occupied territories in return for full normalization of relations between Arab states and Israel in March 2002. The plan was endorsed by the Arab League at a summit conference in Beirut on March 27-28, 2002 and used as a basis of discussion between Crown Prince Abdullah and President Bush at a bilateral meeting in April 2002. (Friedman 2009) Over a year later, on June 3, 2003, President Bush, Crown Prince Abdullah, and four other Arab leaders met at Sharm el Shaykh, Egypt, where the attendees endorsed the Road Map — a phased plan for Palestinian-Israeli peace
promulgated by the United States, the United Nations, Russia, and the European Union\textsuperscript{20}. At a second bilateral meeting between President Bush and Crown Prince Abdullah in Texas on April 25, 2005, the two leaders released a joint statement:

"With regard to the Palestinian - Israeli conflict, the United States and the Kingdom of Saudi Arabia desire a just, negotiated settlement wherein two democratic states, Israel and Palestine, live side by side in peace and security." (Prados and Blanchard 2007)

Saudi Arabia, like other Arab states, recognised the Palestine Liberation Organization as the legitimate representative of the Palestinian people. Prior to the election of the current Hamas led government, Saudi support\textsuperscript{21} was provided exclusively to the Palestinian Authority\textsuperscript{22}, which was established under the Israeli-Palestinian agreement of September 13, 1993, known as the first Oslo Accord. (Richter 2008) Saudi Arabia also provided aid\textsuperscript{23} to families of Palestinians killed or injured in the Palestinian uprising that began in September 2000. In addition, it raised additional funds\textsuperscript{24} for this purpose at a telethon sponsored by then King Fahd on April 11, 2002.

**Saudi Relations with Hamas**

Hamas had emerged in 1987 from the Gaza branch of Muslim Brotherhood, a key Saudi ally for decades. After the September 11 attacks, the United States discovered that a careful examination of some of the worst suicide bombings by the Hamas organization against Israel had a Saudi imprint. There were unsubstantiated reports of Saudi assistance to the PLO’s principal rival, the fundamentalist Hamas, which the US government had designated as a foreign terrorist organization. (Sours 2003) When Hamas spiritual leader Sheikh Ahmed Yasin was let out of an Israeli prison in 1998, he went to Saudi Arabia for medical treatment and Crown Prince Abdullah reportedly made a high-profile visit to his hospital bedside. Again, the Crown Prince also reportedly hosted Sheikh Yusuf al-Qaradawi, the spiritual leader of the Muslim Brotherhood in early 2002. (Bureau of Near Eastern Affairs 2006) Osama Bin Laden had made the fate of Sheikh Yasin an issue for his al-Qaeda followers by listing

\textsuperscript{20} the "Quartet"
\textsuperscript{21} estimated at $80 million to $100 million per year
\textsuperscript{22} P.A
\textsuperscript{23} variously estimated at $33 million and $59 million
\textsuperscript{24} over $100 million according to one report
Sheikh Yasin's release from prison as one of his demands or grievances in his 1996 "Declaration of War".

In an annual report on terrorism, the State Department had noted that Hamas received some funding from Iran, but primarily relied on donations from Palestinian expatriates around the world and private benefactors in Saudi Arabia and other Arab states. According to another US press report in 2003, at one time, people in Saudi Arabia contributed approximately $5 million per year to Hamas or approximately half of its pre-governing annual operating budget. Past reports indicated that Saudi authorities allowed fund raising for Hamas. For example, in May 2002, Israeli officials, citing captured Palestinian documents, declared that seven out of the thirteen charities that the Saudi government had given money to had provided support to Hamas. The Saudi royal family spokesman, Adel al Jubeir, was quick to negate this by saying that "no Saudi government money goes to Hamas, directly or indirectly." (Prados and Blanchard 2007)

The United States also discovered that the religious opinions of Saudi militant clerics were turning up in Hamas's educational institutions in the West Bank and Gaza Strip in 2003. For example, the Hamas-oriented "Koran and Sunna Society-Palestine", established in 1996 in Kalkilya had branches in Bethlehem, Salfit, Abu Dis, Jenin, and the Tulkarm area. It distributed Saudi texts praising suicide attacks against "the infidels" and condemning those who dodge their obligations to join "the jihad." The pro-Hamas "Dar al-Arqam Model School" in Gaza, which was established with Saudi aid, used texts that cited Sheikh Suleiman bin Nasser al-Ulwan, a pro-al-Qaeda Saudi cleric whose name was mentioned in an Osama bin laden video clip from December 2001. (Aufhauser et al 2003) Both the "Koran and Sunna Society-Palestine" and the "Dar al-Arqam Model School" were supported by the Saudi-based World Assembly of Muslim Youth and were part of the "civilian" infrastructure of Hamas.

Militant Saudi texts extolling martyrdom were infiltrated into schools throughout the West Bank and Gaza Strip, creating a whole generation of students that absorbed their extremist messages. The export of this jihadi ideology to the Palestinians was

\[ ^{25} \text{WAMY} \]
reminiscent of the Saudi support for madrassas in western Pakistan that gave birth to the Taliban and other pro- bin laden groups during the 1980s. (Gold, 2003) As late as September 2003, Saudi clerics were featured prominently on Hamas websites as providing the religious justification for suicide bombings. Of the 16 religious leaders cited by Hamas, Saudi Arabia was the largest national group which backed these attacks.

The formal Saudi position on suicide bombings, in fact, had been mixed. Despite the current Saudi Grand Mufti, Sheikh Abdul Aziz bin Abdullah Al al-Sheikh, condemning these acts, Saudi Arabia's Minister for Islamic Affairs, Sheikh Saleh Al al-Sheikh, had surprisingly condoned them: "The suicide bombings are permitted...the victims are considered to have died a martyr's death." (Prados and Blanchard 2004) Saudi Arabia's support for suicide bombings had wider repercussions. Other militant Islamic movements cited Saudi Wahhabi clerics to justify their activities - from the Chechen groups battling Russia to Iraqi mujahidin fighting the US in western Iraq. Coincidentally, the ubiquitous IIRO was lauded by the Saudi press for its support activities in the Sunni districts of post-Saddam Iraq, as well. Its presence was usually indicative in other regions of Saudi identification with local militant causes.

American analysts felt that in order to evaluate the significance of these religious rulings, it was necessary to focus on the stature of the various Saudi clerical figures that jihadi movements worldwide were citing. For example, although many Saudi government officials condemned the September 11 attacks, there were other contrary voices within the Kingdom as well. Shortly after the attacks, a Saudi book appeared on the Internet justifying the murder of thousands of Americans, entitled “The Foundations of the Legality of the Destruction That Befell America” for which the introduction was written by a prominent Saudi religious leader, Sheikh Hamud bin Uqla al-Shuaibi. In his writings on November 16, 2001, he hoped that Allah would bring further destruction upon the United States. Al-Shuaibi’s name also appeared in a book entitled the “Great Book of Fatwas” found in a Taliban office in Kabul. Further, Sheikh al-Shuaibi appeared on the Hamas website, noted earlier, as a religious source for suicide attacks. The attacks on American soldiers in western Iraq by a Wahhabi group called al-Jama'a al-Salafiya were dedicated to his name and to the names of other Saudi clerics. Al-Shuaibi’s ideas, in short, had a global reach. (Bronson 2006)
The key concern for the United States here was whether a religious leader of this sort was a peripheral figure on the fringes of society or a reflection of more mainstream thinking. Al-Shuaibi had very strong credentials as he was a student of King Faisal's Grand Mufti, Sheikh Muhammad ibn Ibrahim Al al-Sheikh. Al-Shuaibi's roster of students also read like a "who's who" of Saudi Arabia, including the current Grand Mufti and the former Minister of Islamic Affairs and Muslim World League Secretary-General, Abdullah al-Turki. His militant ideas justifying the September 11 attacks were echoed by Sheikh Abdullah bin Abdul Rahman Jibrin, who was a member of the Directorate of Religious Research, Islamic Legal Rulings, and Islamic Propagation and Guidance - an official branch of the Saudi government. When al-Shuaibi died in 2002, many central Saudi figures attended his funeral. In short, he appeared mainstream to the United States. (Cook 2005: 91-102)

The Palestinian elections of January 2006 in which Hamas secured a majority of seats in the Palestinian Parliament raised new questions regarding Saudi Arabia's relations with Hamas. In a meeting with US Secretary of State Condoleezza Rice in February 2006, Prince Saud rejected the American position that countries should cut off aid to the Palestinian Authority until a Hamas-dominated government renounced violence and accepted Israel's right to exist. In July 2006, the Saudi Arabian government announced plans to transfer $250 million in reconstruction assistance to the Palestinian people and confirmed the transfer of half of a $92 million budgetary support pledge for the Palestinian Authority. (Friedman 2007)

The Conflict in Lebanon

The cross-border raids by Hamas and Hezbollah against Israel and the ensuing military operations by Israel in the Gaza Strip and Lebanon during the summer of 2006 created significant challenges for Saudi Arabia. The Kingdom's efforts to overcome these dilemmas in response to the original outbreak of violence were evident in its public statements and actions. It initially joined the United States in criticising the Lebanese militia Hezbollah for the raid across the Israel-Lebanon border and blamed it for the eruption of conflict in Lebanon. Saudi Arabia felt compelled to condemn the destabilizing military operations taken by non-state actors
that pushed the region to the brink of direct conflict. Subsequently, Saudi Foreign Minister Prince Saud al Faisal and National Security Council Chief and former Ambassador to the United States, Prince Bandar bin Sultan visited the United States to meet President Bush and Secretary of State Condoleezza Rice requesting American support for an immediate cease fire.

However, it also faced strong popular opinion domestically which supported the Palestinian people and Lebanese government’s opposition to the Israeli military response. It was also critical of international parties including the United States which opposed cease fire agreements. Hence, Saudi Arabia adopted a careful approach as it was aware of the role of Syria and Iran as state sponsors and suppliers of Hezbollah and Hamas. (Worth 2006) Following Israeli military attacks inside Lebanon which killed hundreds of civilians and damaged critical infrastructure, Saudi Arabia quickly condemned Israel and issued a warning

“That if the Israeli military savagery continues to kill and destroy, no one can predict what would happen and that, should the option of peace fail as a result of the Israeli arrogance, only the option of war will remain.” (El-Hokayem, 2007: 35-42)

This was interpreted variously by regional observers in the United States as a warning of the potential shared consequences of broader escalation or a signal of Saudi willingness to abandon the so-called Abdullah plan for a two-state solution and wider Arab peace with Israel. After another Israeli military strike on the Lebanese town of Qana killed more than 50 civilians, a July 31 Saudi cabinet statement cited

“The moral, political, and material responsibility of Israel for massacres and war crimes and pledged the Kingdom’s standing with all its political and economic capabilities by the brotherly people of Lebanon.” (Prados and Blanchard 2007)

The Saudi Ambassador to the United States Prince Turki al Faisal explained the oscillating Saudi position in public comments during his visit to Washington:

“Saudi Arabia holds firmly responsible those who first engaged in reckless adventure under the guise of resistance [Hamas and Hezbollah]. The groups’ unacceptable and irresponsible actions do not justify the Israeli destruction of Lebanon or the targeting and punishment of the Lebanese and Palestinian civilian populations.” (Myers 2009)
As the conflict escalated with more Israeli strikes, Saudi Arabia’s rhetorical support for Lebanon grew and was matched with financial and material support much to the annoyance of the Bush administration. The Kingdom pledged over $1.5 billion in financial assistance to the Lebanese government and organized a popular relief campaign under the Minister of Interior Prince Nayef bin Abdulaziz. The announced assistance consisted of a $500 million grant to the Lebanese people as the ‘core’ of a planned Arab-international reconstruction fund and a $1 billion deposit in the Central Bank of Lebanon to support the Lebanese economy. Some American observers noted that the large donations were meant to signal to other Arab states and Iran that Saudi Arabia, known for its close political and financial ties to Lebanon, planned to assume the central role in underwriting Lebanon’s recovery from its current crisis. The Kingdom also hosted representatives of Hezbollah in a reported effort to defuse the political crisis ongoing in Lebanon in December 2006. (Worth and Bakri 2008) Simultaneously, various reports in the American media described unprecedented secret meetings between Israeli and Saudi officials suggesting that Saudi Arabia and other Gulf states were making these efforts to undercut Iran’s growing influence contain violence in Iraq and Lebanon and pursue a solution to the Palestine problem. There was also speculation in the US media that Israel was seeking to enlist Saudi Arabia in a regional anti-Iran alliance. (Kaye and Wehrey 2009: 37-44)

The Mecca Agreement

In February 2007, in a further expansion of its role, Saudi Arabia sought to bring about reconciliation between the two main factions in the Palestinian Authority, the more moderate Fatah and the more radical Hamas, whose internecine fighting had killed over 100 people and blocked further progress in the Palestinian – Israeli peace process. King Abdullah invited representatives of both groups to meet in the holy city of Mecca where the two sides negotiated an agreement on a national unity government. Although the agreement represented an achievement for Saudi diplomacy, the national unity government did not explicitly meet preconditions set by the United States and its Quartet partners for recognising the Hamas-led government, i.e. disavowal of violence, recognition of Israel, and acceptance of previous Israeli-Palestinian accords. Furthermore, it also signaled a split in thinking between the United States and Saudi Arabia over the future course of Palestinian - Israeli
negotiations. However, with its success, Saudi Arabia scored points at Iran’s expense, an outcome that US officials gladly welcomed. The Kingdom also provided financial support by promising $1 billion to Palestine in conjunction with the announcement of the Mecca agreement. (El-Hokayem 2007)

**Relaunch of the Abdullah Peace Plan**

The heads of state of most of the Arab League countries met in Riyadh, Saudi Arabia on March 28-29, 2007 and reconfirmed their support for the 2002 Saudi-sponsored peace proposal calling for full Israeli withdrawal from occupied territories in return for full normalization of relations between Arab states and Israel. In the run-up to the summit, speculation focused on whether the leaders of Saudi Arabia and the other Arab governments would amend provisions of the 2002 proposal that Israeli government had identified as unacceptable, particularly the provision that called for a ‘just solution’ to the Palestinian refugee problem “in accordance with UN General Assembly Resolution 194.” Resolution 194 called for the right of return to Israel for Palestinian refugees willing to live in peace. (Cohen 2007) Subsequently, Israeli Prime Minister Ehud Olmert rejected any right of return for Palestinian refugees in an interview in March 2007 in which he also praised Saudi King Abdullah’s leadership. The Arab summit, significantly, did not amend the proposal, and Saudi Foreign Minister Prince Saud al Faisal asserted that if Israel rejected the proposal, then “they will be putting their future not in the hands of the peacemakers but in the hands of the lords of war.” (Kaye and Wehrey 2009) Israel criticized the Arab initiative as an ultimatum while simultaneously the government of Ehud Olmert invited Arab leaders, including Saudi King Abdullah, to participate in a summit to discuss the terms of the proposal. The Saudi cabinet released a statement in response declaring that

"Israel, prior to anything else, has to understand that peace requires that it stop its continuous and inhuman aggressions, punishment, and offenses against the Palestinian people, and has to accept all relevant international resolutions adopted over the years by the legitimate international bodies.” (Goldberg 2009)

The Israel - Palestine conflict continued to remain on the Saudi agenda even after the failure of the Abdullah Peace Plan. It had by now assumed even greater importance, as the unresolved conflict created a hurdle for Saudi Arabia’s cooperation with the US
war on terror in Afghanistan and US-led military intervention in Iraq. However, to Riyadh’s frustration, after the September 11 terror attacks, the United States continued to regard Israel’s situation more sympathetically. On the Bush administration’s revised agenda, the global war on terrorism outranked many other things, including conflict resolution in the Middle East.

As a lynchpin of US security strategy and policy in the Middle East for over fifty years, Washington's relationship with Riyadh and the House of Al Saud was a foundation of stability amidst the region's currents of instability. However worse, things may have been in the Arab-Israeli conflict, Iraq-Iran War, the Iran Nuclear Standoff or Lebanon, the US-Saudi relationship provided all concerned with a degree of assurance that events would not spin completely out of control. (Walker: 2001) Suggestions that the relationship needed to be altered often ignored the organizations that were created to manage this partnership; organizations that reflected a depth and complexity in Saudi-American relations that was generally unappreciated. In and of themselves, these entities and their activities did not justify preserving the status quo, but they did suggest that the US-Saudi security partnership could be deconstructed only with great difficulty and with dramatic and unforeseen consequences for regional security.

Thus, despite various distractions that had the potential for increasing tensions, the spirit of cooperation between the two countries remains reinforced. Despite not working out a common platform amidst differing priorities and clashing political imperatives, Saudi Arabia on the one hand, recognised the importance of the United States for its security while the United States, on the other hand, recognised the need for Saudi Arabia to maintain regional stability in the region. As in the past, the long tradition of cooperation continued to provide momentum in security relations despite the vagaries of Middle East politics.