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By RS Date 4-3-08

1973-8-1, Faisal, Saudi, Overall

II. BACKGROUND CONSIDERATIONS AND SUMMARY

The prime objective, as previously, of the present government of Saudi Arabia is to remain a monarchy headed by the Sa'ud family. To this end, the SAG wishes to obtain for its citizens increasing economic and social benefits from its huge reserves of petroleum; to encourage stability and moderation in the Middle East in spite of the unresolved Arab-Israeli conflict; and to contain and eventually eradicate the Communist foothold in the Arabian peninsula, which the regime feels threatens its existence. These Saudi aims by and large parallel and complement the United States' main interests in Saudi Arabia: assured future access for itself, the Atlantic alliance, and Japan to the world's greatest reserves of petroleum, and judicious use by the SAG of its monetary assets. The last year has seen gradual increase in Saudi preoccupation and involvement with the Arab-Israel dispute, posing thus the question as to what affect this intractable dispute and the differing U.S. and Saudi views of it may have on existing relations between the two countries.

A. SAUDI ARABIA'S BROADENED HORIZONS

Until Nasser's death in 1970, Saudi foreign policy could be characterized as an attempt to remain isolated and uninvolved, reacting to events when forced to, but not initiating action or seeking a prominent role on the Arab stage. Religion, geography and modern history, especially Nasser's enmity, played a part in this isolationism which resulted in the government concluding that the best foreign policy for Saudi Arabia was also the least.

In the past 15 months, however, the developing "energy crisis" in the West, plus projections of extremely high Saudi oil production and of a massive accumulation of monetary reserves, have helped draw Saudi Arabia into a more active role in regional and world affairs.

Thus, although relations with Iran are still not as solidly based as we would hope, there have been fairly frequent exchanges of view between the two sides, and both Saudi Arabia and Iran seem aware of the extent to which their regional interests are complementary. Saudi Arabia has in the past few months taken important steps to assist North Yemen in its confrontation with the Communist Adeni government. In the last

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Unable as we are to control fully the trend toward modern weaponry (French and British salesmen are always in the wings), it is important that simultaneously we assist the SAG to develop sufficient amounts of skilled manpower--which are essential to the proper functioning of all MODA's development programs. Prince Sultan has recently approved our recommendation that a U.S. MTT be assigned here for several months, in connection with the preliminary discussions on the F-4, to evaluate MODA's manpower deficiencies and suggest ways to overcome them. This is but a beginning; in the future, the U.S., and especially USMTM, will have to keep the pressure on MODA so that the SAG's interest in the latest weapons system will be tempered by a realistic assessment of the human skills required to operate them.

5. Recommendations

1) Acceptance that Saudi Arabia, as a rich, and now vulnerable, country, will be attempting to build up its armed forces at an accelerated pace; although the United States may feel a natural reluctance to participate in such an arms build-up, we must realize that a strong Saudi Arabia is probably the best guarantee of security in the area for the future, and an essential element in increased oil production and oil availability; we should be prepared to accept an important role in Saudi defenses expansion lest others pre-empt the political advantages to be gained by supplying weapons and training.

2) Acceptance that the SAG will tend to prefer government-to-government relationships for major military contracts; and that this contract preference has in many (though not all cases) benefits likewise for the USG.

3) Active participation in MODA manpower planning to assure that those few trained personnel available are put to maximum use; and that intelligent advanced manpower planning is used to enlarge existing training programs.

4) Assignment of additional USMTM support personnel to Saudi Arabia to cope with increased demands of U.S.-related military programs in Saudi Arabia.

C. MAINTENANCE OF THE SA'UD REGIME IN POWER AND ITS MODERNIZATION

The stability of the Sa'ud regime seems to be assured during King Faisal's lifetime. In discussing the question of its ultimate viability, it should be kept in mind that there is no more sensitive issue than this to the rulers of the Kingdom.

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As in the Saudi-Iran relationship, it could be argued that it was incumbent upon the stronger of the two, in this case, Saudi Arabia, to take the initiative in reaching a compromise. No third party, however, seems to be in a position effectively to move the SAG in the direction of a more accommodating policy. Nor does it appear likely that Shaikh Zayid himself will be willing to volunteer further concessions. For the time being, therefore, the United States' aim should be to recommend against any further deterioration in relations between SAG and the UAE and encourage continued low-key contacts between government officials of the two sides.

Over the past year relations with Egypt have continued to strengthen. King Faisal apparently played a constructive role in May 1973 by discouraging President Sadat from initiating his threatened "limited" war at that time. It may be that Faisal's willingness to provide a financial alternative for Sadat to Qaddafi was partially responsible for Sadat's positive reaction. (Rumors abound in the area that secret pacts and promises of oil embargoes were involved, but the Embassy doubts anything so concrete was agreed to.) Similarly, many Black African and North African countries are showing a preference for Faisal's moderate stance over Qaddafi's radical nationalism. (Even an Israeli foreign official has commented on the relatively successful appeal among Africans of Faisal's moderation, in contrast to Qaddafi's fanaticism.)

3. The Enemy

Recently, Faisal's foreign policy vis-a-vis the Arab-Israeli question seems to have slightly moderated; at least--according to reports of the King's discussion in Paris in May 1973--Faisal appears to have moved a half-step forward in abandoning his earlier espousal of the unrealistic idea of a Moslem-Christian-non-Zionist-Jewish state where Israel now exists. Saudi private pronouncements now seem slightly more realistic and less retrogressive and belligerent. This was partially illustrated also, during Faisal's visit to Tunisia (in June en route to Saudi Arabia from Paris), by the warmth and moderation of his public remarks to Bourguiba who had earlier revealed publicly his revolutionary proposal to meet with Israeli officials, an idea one would have thought to be anathema to Faisal. Nor does the Embassy believe