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Lebanese American University

**Impact of September 11 on the United States foreign policy
in Saudi Arabia**

**By
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**A thesis
submitted in partial fulfillment of the requirements
for the degree of Masters of Arts
to the department of social science
of the faculty of Arts and Sciences
at the Lebanese American University**

**Beirut, Lebanon
August 2005**



Thesis Approval Form

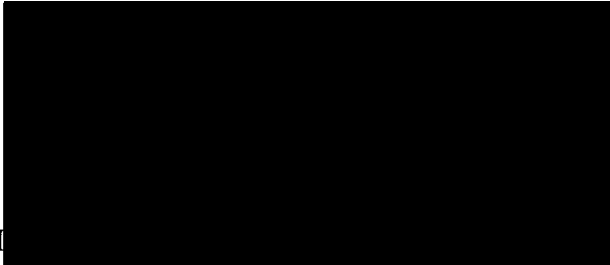
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Thesis Title : Impact of September 11 on the US Foreign Policy in Saudi Arabia

Program : International Affairs

Division/Dept.: Division of Education and Social Sciences

School : School of Arts and Sciences

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Date 26 August 2005

Abstract

Saudi Arabia, a monarchy ruled by the Sa'ud dynasty, enjoys a special importance in much of the international community because of its unique association with the Islamic religion and its oil wealth. Saudi Arabia also enjoys long-standing economic and defense ties with the United States. It has been a close ally, friend and business partner of America for more than sixty years. However, the events of September 11 affected U.S.-Saudi relations and marked a turning point in U.S. foreign policy toward the Kingdom- especially that 15 out of the 19 hijackers who committed 9/11 were Saudi nationals.

This thesis explores the change in the United States foreign policy following the events of 9/11 and the impact of this change on Saudi Arabia. Chapter one is an introduction about the importance of the kingdom to the United States and the political system of the kingdom and that of the United States; chapter two will discuss the common interests between U.S. and Saudi Arabia; while chapter three will deal with the history of the U.S.-Saudi relationship from the 1970's until the beginning of the 21st century. Chapter four is an overview of U.S. foreign policy in the Middle East which is considered to be the main cause behind 9/11. Chapter five discusses the effect of 9/11 which is the change in U.S. foreign policy from preserving the status quo to the aim for change; as for chapter six, it will deal with the impact of the new U.S. foreign policy on Saudi Arabia. Chapter seven addresses the reaction of Saudi Arabia to the new foreign policy of America by mentioning the reform steps taken by the Kingdom. Finally, chapter eight which is a conclusion will discuss the findings of this research stating that no matter how U.S. and Saudi Arabia are different, they still need and complement one another. However, the change in U.S. foreign policy after 9/11 proves the need for Saudi Arabia to undertake

major steps in political social and economic reform so that its relation with the U.S. continues peacefully and successfully. On the other hand, U.S. must not impose reform on the Kingdom in order to avoid negative outcomes resulting from their differences.

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Glossary

- ABM** : Anti-Ballistic Missile
- AWACS** : Airborne Warning and Control System
- COE** : Corps of Engineers
- CSIS** : Center for Strategic and International Studies
- CTBT** : Comprehensive Test Ban Treaty
- EIA** : Energy Information Administration
- FATF** : Financial Action Task Force
- GDP** : Gross Domestic Product
- GGC** : Gulf Cooperation Council
- GOSI** : General Organization for Social Insurance
- HAWK** : Homing All the Way Killer
- IGO** : International Government Organization
- IISS** : International Institute for Strategic Studies
- NATO** : North Atlantic Treaty Organization
- NCB** : National Commercial Bank

OPEC : Organization of the Petroleum Exporting Countries

PIF : Public Investment Fund

SAMA : Saudi Arabian Monetary Agency

SOE : State Owned Enterprise

TRIPS : Trade-Related Aspects of Intellectual Property Rights

U.N. : United Nations

U.S. : United States

WTO : World Trade Organization

Chapter I

Introduction

A. Introduction

The terrorist attacks of September 11, 2001 mark a turning point in U.S. foreign policy. Prior to that date, Washington's approach to the world had been relatively unfocused. The cold war ended a decade earlier, and the Soviet Union which was the focus of U.S. foreign policy collapsed, leaving the United States with the role of superpower in the new global order. Nevertheless, threats to the global order and U.S. security were more dispersed than they were during the cold war.

September 11 changed Washington's vision of the world and the assumption upon which its foreign policy had been based during the 1990's. The war against terrorism became the priority of U.S. foreign policy. This indicates that the U.S. will emerge stronger and thus, will be in more of a position to influence world events. This is not just because the U.S. will considerably increase its military and intelligence expenditure, but also because of the ability of U.S. to impose its leadership

under the theme of a war on terrorism.

The reorientation of U.S. policy immediately after 9/11 had consequences for

Washington's policy toward the Middle East such as the war on Afghanistan, the regime change in Iraq and its close allies in the Gulf region like Saudi Arabia.

This thesis will focus on the change of U.S. foreign policy in Saudi Arabia

after the 11th of September. The importance of this subject lies in the fact that the

United States is facing a challenge of having to preserve close relations with the Gulf

states which contain two thirds of the world's oil reserves, and at the same time, being

able to pursue its new foreign policy represented by the war on terrorism keeping in mind

the fact that most of the terrorists who committed the September 11 attack belong to the

Gulf states specially Saudi Arabia.

B. Overview of the U.S. and Saudi political systems

1) U.S. political system

The U.S. is a Federal system. This means that power is divided between a central/national

government and the States. The national government is referred to as the Federal

Government. The Federal Government has three branches/arms: Legislative branch,

Executive branch, judicial branch .The Legislative branch consists of: House of Representatives and Senate. The Executive branch consists of: The President, the Cabinet and the Federal Departments and Agencies. The Judicial Branch consists of: The Supreme Court and other Federal Courts.

The Constitution of the United States is the supreme law of the United States of America and is the oldest written national constitution that is still used. It was completed on September 17, 1787. It took effect in 1788, and has served as a model for a number of other nations' constitutions.¹

The United States has a two-party system, with the two largest political parties dividing a great majority of the votes between themselves in most elections. The Democratic Party's principles are commitment to tempering capitalism with programs of social welfare.

Some other issues have included support for labor unions, civil rights, governmental and private sector actions to create new jobs, public education, gun control and gay rights.

The second is the Republican Party which primary political principles include free-market capitalism, along with nationalism, religiosity, social conservatism, abortion, gay

¹ Johannes Molin. "The american political system-federal level." 3 February 2005. Online.Internet.16 June 2005.available:
<http://www.mimersbrunn.se/arbeten/4770.asp>

rights, and militarism.²

The American political system affords citizens a wide range of opportunities to participate in and influence the political process. Through voting, writing letters, contributing to campaigns and even running for office, ordinary people can shape public policy. In addition to voting, people are free to: Contribute money to political campaigns (within legally established limits) ,work as volunteers for political candidates ,circulate petitions ,communicate with elected officials in person or in writing ,stage and participate in protests ,exert influence on the political system in dozens of other ways (bumper stickers, letters to the editor, yard signs, forming & participating in interest groups, etc.)³

2) Saudi political system

Islam and politics in Saudi Arabia are mutually interdependent. The kingdom of Saudi Arabia is a monarchy with a political system rooted in Islam's cherished traditions and rich culture. It is ruled by the sons and grandsons of King Abd Al Aziz Al Saud, and the Holy Qu'ran is the constitution of the country, which is governed on the basis of the

² Johannes Molin. "The American political system-federal level." 3 February 2005. Online.Internet.16 June 2005.Available:

<http://www.mimersbrunn.se/arbeten/4770.asp>

³ Jonathan Mott. "Citizens in the American political system". *This nation.com* .Online. Internet. 16 August 2005.Available:

<http://www.thisnation.com/citizens.html>

Islamic law (Shari'a). Its political system is the least liberal in the region.⁴ There is very little electoral tradition in the kingdom and what civil space exists is largely occupied by a highly conservative form of Islam and by influential tribal organization. There are no political parties or national elections. The king's power is limited because he must observe the Shari'a and other Saudi traditions. The king governs the kingdom through a council of ministers, which consists of a prime minister (the king), the first (the crown prince) and second (the minister of defense) deputy ministers, twenty-two ministers, three ministers of state, and a small number of advisers and heads of major organizations. Legislation is approved by resolution of the council of ministers (Majlis Al Shoura) and must be compatible with Shari'a law. Moreover, in 1992, the king established a national consultative council, with appointed members having advisory powers to review and give advice on issues of public interest. It also outlined a framework for councils at the provincial or emirate level. The consultative council currently has 120 members, appointed to four year terms by the King.⁵ Moreover, Saudi Arabia is divided into

⁴ Finfacts team. "Saudi Arabia the least free country in the Middle East." *Economist Intelligence Unit*. 10 Mar 2005. Online. Internet. 1 June 2005. Available:

http://www.finfacts.com/irelandbusinessnews/publish/printer_1000814.shtml

⁵ Gerald Butt. "Saudi Arabia: Political overview." *BBC news*. 10 Oct 2005. Online. Internet. 1 June 2005. Available:

<http://newsvote.bbc.co.uk/mpapps/pagetools>

thirteen provinces governed by members of the royal family. The king appoints all governors, who report to the minister of interior.

An overview of the Saudi political system leads to the conclusion that it is totally different from that of the United States. The American system is based on perpetual elections at all levels while the Saudi system has no elections. They have deep differences in social mores, cultural traditions, religious sensibilities, and family structures which will lead to various complications between the two countries specially after 9/11.

C. The importance of Saudi Oil to the U.S.

Saudi Arabia's unique role in the Arab and Islamic worlds, its possession of the world's largest reserves of oil, and its strategic location makes its friendship important to the United States. It owns 25% of the world's proven oil supply, and enjoys solid economic ties with the world's highest developed countries. Hence, it is likely to remain the world's largest oil producer in the foreseeable future. It enjoys an ease of oil production, export and transportation that is globally unrivaled.

The kingdom (including half of the Saudi-Kuwaiti "Partitioned zone") contains 264, 2

million barrels of proven oil reserves.⁶ It maintains crude oil production capacity of around 10.0-10.5 million bbl/d.⁷ On the other hand, U.S. oil demand is huge and increasing while its domestic production continues to decline. Today, the U.S. has less than 5% of the world's population and is considered to be the world's major oil consumer, with a per capita consumption of 28 barrels a year.⁸

Total U.S. consumption in 2004 was 21 in millions barrels per day while the total U.S imports was 12 meaning that the U.S. oil imports account for more than 57% of its total consumption.⁹ Total U.S. imported oil from Saudi Arabia increased to 18.4% in 2001 and is projected to increase to 26.9% by 2020.¹⁰

Saudi Arabia has the largest reserves of petroleum in the world, ranks as the largest exporter of petroleum and plays a leading role in the Organization of the Petroleum Exporting Countries (OPEC). The petroleum sector accounts for roughly 75% of budget

⁶ Rodney, Wilson. *Economic development in Saudi Arabia*, (London: RoutledgeCurzon, 2004), p.46.

⁷ "US: More oil from Saudi Arabia." *CNN Money*. 23 May 2004. Online. Internet. 2 June 2004. Available: <http://money.cnn.com/2004/05/23/news/international/spencer.reut/>

⁸ Ahmad Al-Quni. "Increasing dependence on oil imports." *Al jazeera.net*. 10 Aug 2003. Online. Internet. 2 June 2004. Available: <http://english.aljazeera.net/NR/exeres/2CDA8F31-A5D7-4071-B12D-1B804E1C15EE.htm>

⁹ "Oil: The impact on the U.S. economy." *Angry Bear*. 11 April 2005. Online. Internet. 2 June 2005. Available: <http://angrybear.blogspot.com/2005/04/oil-impact-on-us-economy.html>

¹⁰ Ahmad Al-Quni. "Increasing dependence on oil imports." *Al jazeera.net*. 10 Aug 2003. Online. Internet. 2 June 2004. Available: <http://english.aljazeera.net/NR/exeres/2CDA8F31-A5D7-4071-B12D-1B804E1C15EE.htm>

revenues, 45% of Gross Domestic Product (GDP) and 90% of export earnings.¹¹ With such large reserves and guaranteed current and future export markets, the least of Saudi Arabia's concerns would seem to be economic.

Saudi oil production capacity alone will need to increase from 12.1% of the world's supply in 2000 to 18.21% by 2020; and from 43.35% of the total Gulf supply in 2000 to 51.53% in 2020¹². The Persian Gulf provided 34.9% of world export in 2000, this is projected to increase to 47.2% by 2020, an equivalent regional increase of exports by 126%.¹³

In addition to future world oil demand and extensive Saudi oil reserves, the current Saudi infrastructure is producing well below its capacity. Saudi's OPEC quota in June 2003 was well below its capability. However, it can increase if consumer countries demand it. The Saudi Oil minister reported that his country "is pumping 9.1 million bpd and envisions

¹¹ "Saudi Arabia Country analysis brief." *EIA International Energy Outlook*. December 2003. Online. Internet. 2 June 2004. Available:

<http://www.eia.doe.gov/emeu/cabs/saudi.html>

¹² Anthony H Cordesman. "The U.S, the Gulf and the Middle East: Energy dependence, demographics and the forces shaping internal stability." 9 December 2002. Online. Internet. 3 June 2004. Available:

http://www.csis.org/burke/gulf/us_me_energy_demo.pdf

¹³ Anthony H Cordesman. "The U.S, the Gulf and the Middle East: Energy dependence, demographics and the forces shaping internal stability." 9 December 2002. Online. Internet. 3 June 2004. Available:

http://www.csis.org/burke/gulf/us_me_energy_demo.pdf

raising capacity as high as 12-15 million bpd if needed.”¹⁴

Moreover, the production costs of oil in Saudi Arabia are only a fraction of what they are outside the Gulf region. Saudi production costs average around \$1.5/bbl and in some areas, it exceeds \$10/bbl.¹⁵ Equally important is the fact that Saudi Arabia has the ability to vary production levels to satisfy market demands.

In addition, Saudi Arabia is able to influence the prices of oil which are ultimately the result of supply and demand forces in the global market. In addition, given the Kingdom’s large proven reserves and ability to sustain current or even higher production level for many decades, resources depletion shouldn’t be regarded as a serious problem. However, the main problem is likely to be the decreased global demand for oil because of the likeliness of technological change where other fuels are used instead of oil.

¹⁴ Peg Mackey and Dominic Evans. “Analysis-Saudi says oil capacity increase depends on demand.” 25 May 2004. Online. Internet. 3 June 2004. Available: <http://www.forbes.com/business/newswire/2004/05/25/rtr1383391.html>

¹⁵ “Middle east slowly opens to foreign investments.” *Oil & Gas Journal*. 25 May 2004. Online. Internet. 3 June 2004. Available: http://orc.pennnet.com/Articles/Article_Display.cfm?Section=Articles&ARTICLE_ID=113993

Chapter II

U.S-Saudi common interests

A. Introduction

U.S-Saudi relation is durable and has survived many tests of its strength.

This relationship is based on mutual interests between the two countries. U.S. interests in the Gulf region has focused on the flow of oil particularly from Saudi Arabia since its discovery. The U.S. became dependant on Gulf oil and the Saudi regime became dependant on U.S. security for its oil. Some scholars believe that political, military, economic and commercial ties and interests are the engines that have driven the close relationship between the two countries for more than sixty years.

During the last two decades, many events in the Gulf region took place and have had major implications in the U.S-Saudi relations: The Iranian revolution, Iran-Iraq war, the 1990 Iraqi invasion of Kuwait and the following Persian Gulf War, and most recently the U.S. war on Iraq to remove Saddam Hussein from power.

This chapter will examine U.S- Saudi common interests while chapter III will deal with their relationship from the early 1970's till the beginning of the 21st century.

B. U.S-Saudi common interests

1) Economic interests

a. Oil

The U.S. and the world need Saudi and Gulf oil, and Saudi Arabia and its neighbors need to export it. As it was mentioned in the first part of the thesis, Saudi oil production capacity is 10.0-10.5 million bbl/d; this is projected to increase to 23.8 million bbl/d in 2025- An increase of 133%.¹⁶ What is already mentioned as well is the fact that U.S. oil imports account for more than 57% of its total consumption. U.S. is the world's largest consumer of oil and "Canada, Saudi Arabia and Venezuela are the top 3 sources of U.S. oil imports."¹⁷

John S. Habib writes that the American dependence on Saudi Arabia caused one writer to claim that Saudi Arabia is the most important of all nations to the United States and that the vast petroleum reserves located in Saudi Arabia have made the U.S. more dependent on the Kingdom's goodwill and independence. Moreover, the decisions made by Saudi Arabian leaders concerning its huge financial reserves will continue to have a significant

¹⁶ Anthony H. Cordesman. "Ten reasons for forging US and Saudi relations." *Center for Strategic and International Studies* 30 January 2004. Online. Internet. 12 August 2004. Available: http://www.csis.org/press/ma_2004.0130_notes.pdf

¹⁷ Ahmad Al Quni. "Increasing dependence on oil imports." *Al jazeera.net*. 10 Aug 2003. Online. Internet. 2 June 2004. Available: <http://english.aljazeera.net/NR/exeres/2CDA8F31-A5D7-4071-B12D-1B804E1C15EE.htm>

impact on the West.¹⁸

Another factor illustrating the importance of Gulf oil to U.S. is the American-British war against Iraq in the year 2003. Iraqi oil reserves are estimated to be the world's second largest after Saudi Arabia.¹⁹ Pamela Ann Smith wrote in the *Middle East magazine* that the U.S. President George Bush and British Prime Minister Tony Blair linked the war against Iraq with the war on terrorism and denied that it was linked with oil while the opposite is true. She adds that "more importantly than just a quest to control Iraq's massive oil fields, it has to do with the Bush administration's new global energy policies, including the goal of reducing U.S. reliance on oil from the Arab and Islamic states of the Middle East and North Africa..."²⁰

In addition, the reporter Ed Blanche wrote about U.S. policy in the Middle East and stated that the prime target in the American Middle East policy is Saudi Arabia, the world's largest oil producer and the only producer with spare capacity to counter any serious disruption in supply.²¹

¹⁸ John S. Habib. *Saudi Arabia and the American national interest: An interpretive study of a special relationship*. USA: Universal Publishers, 2003, p.137.

¹⁹ Neil Ford. "Iraq: The crucial oil dimension." *The Middle East magazine* May 2003:42.

²⁰ Pamela, Ann Smith. "Bush and Blair scramble for oil." *Middle East magazine* Aug/Sept 2003:33.

²¹ Ed, Blanche. "Oil industry increasingly vulnerable to terrorist attack." *The Middle East magazine*. July 2004:43.

b. Trade

Trade is a vital element of the U.S.-Saudi relationship. Saudi Arabia is the 7th largest market of U.S. goods, services and technology.²² It is America's main business partner in the region.

More than twenty thousands Americans reside and work in Saudi Arabia, employed by hundreds of Saudi companies and joint venture companies. Thousands more derive their livelihood from making the U.S. goods exported to the Saudi market. Moreover, the U.S. remains the largest foreign investor in Saudi Arabia. U.S. companies are very well represented in numerous sectors throughout the Saudi economy such as the defense industry, oil field services and equipment, automobiles and processed foods, in addition to power generation, public transportation, mining and many others.

Most of American exports to Saudi Arabia come from the advanced manufacturing industries, the sort that offers good careers. Grant Smith-director of (Institute for research: Middle Eastern policy) in Washington D.C. writes that U.S. machinery exports to Saudi Arabia have risen from 15% in the year 1999 to 24% in the year 2003 as Saudi

²² John S. Habib. *Saudi Arabia and the American national interest: An interpretive study of a special relationship*. USA: Universal Publishers, 2003, p.137.

Arabia continues to modernize plant and equipment.²³ While U.S. IT and telecommunications equipment manufacturer shares have remained essentially flat, U.S. aircraft exporters have suffered a huge decline. Their exports account for 26% of total U.S. exports to Saudi Arabia in 1999, but it decreased to 5% in 2003 because of the decline in passenger ticket sales and air freight after the event of 9/11.²⁴ As a matter of a fact, a study conducted in the year 2002 shows that trade exchange between Saudi Arabia and the United States decreased by more than 40%. It shows, as well, that the volume of American exports decreased by 43% in the first months of the year 2002.²⁵ Such a decrease is a result of the Saudi boycott campaign of the American products. The recession was not only limited to the U.S. exports to Saudi Arabia but also the volume of Saudi exports to the United States (of which oil and its by-product constitutes 95% of overall exports).²⁶ On the other hand, Saudi non oil exports to the United States are small

²³ Grant F Smith. "Breaking the ties that bind? U.S. exports, Saudi Arabia and the accountability act." *The Saudi-American forum* 11 March 2004. Online. Internet. 26 July 2004. Available: http://www.saudi-american-forum.org/Newsletters2004/SAF_Essay_26.htm

²⁴ Grant F Smith. "Breaking the ties that bind? U.S. exports, Saudi Arabia and the accountability act." *The Saudi-American forum* 11 March 2004. Online. Internet. 26 July 2004. Available: http://www.saudi-american-forum.org/Newsletters2004/SAF_Essay_26.htm

²⁵ "U.S.-Saudi trade down 40% due to strained relations." *Arabic news* 6 July 2002. Online. Internet. 26 July 2004. Available: <http://www.arabicnews.com/ansub/Daily/Day/020706/2002070604.html>

²⁶ "U.S.-Saudi trade down 40% due to strained relations." *Arabic news* 6 July 2002. Online. Internet. 26 July 2004. Available: <http://www.arabicnews.com/ansub/Daily/Day/020706/2002070604.html>

but growing. National plans are encouraging non oil industries and exports such as fertilizers, fibers and plastics. These kinds of exports benefit from a network of trading ties in the center of the Kingdom and extending to Asia, Africa, India and Europe.

A number of stress points are evident affecting U.S.-Saudi commercial relationship. On the Saudi side, the stress is reflected by the Saudi boycott against American products which contributed to deep reductions in U.S. exports to Saudi Arabia in the years 2001 and 2002. Also, the taxation of foreign companies which gives the Saudi nationals privileges. On the American side, the stress is evident in the new post 9/11 policies and procedures for immigration, transportation and communications.

2) Political interests

a. War on terror

Terrorist attacks that have taken place in Saudi Arabia made clear that terrorism threats are as real for Saudis as they are for Americans. Close cooperation between the two countries is required in order to deal with terrorism. Saudi Arabia needs U.S. assistance in modernizing many aspects of its internal security operations and U.S. needs Saudi cooperation in reducing the flow of money to terrorists.

Geoff Simons writes that Saudi Arabia refused to offer unlimited support for the U.S.

invasion of Iraq in the year 2003 because of its fears of its own domestic militants.²⁷

He states that members of the U.S. Congress and other critics show skepticism of Saudi

Arabia's willingness to crack down on terrorism-related activities inside its own

borders.

However, a report that was issued on the 22nd of January 2004, states that the U.S. and

Saudi Arabia asked the United Nations to freeze the assets of four international branches

of a leading Saudi charity named "Al Haramain" accused of supporting Al-Qaeda and

other terrorist groups. It also states that in 2003, "Al Haramain" was ordered by the

Saudis to cease all international operations.²⁸

Another more recent report issued on 4th June 2004 mentions that US \$ 140 million in

terrorist related assets has been frozen as a result of efforts by U.S. and its allies such as

Saudi Arabia.²⁹ However, Simon Henderson who is a London-based energy consultant,

writes that the conservative Arab Gulf states "are prepared to cooperate with Washington

²⁷ Simons, Geoff. *Future Iraq: U.S. policy in reshaping the Middle East*. London: Saqi books, 2003; p.190.

²⁸ Brook N. Meeks. "U.S., Saudi Arabia joint crackdown on terrorist financing." *MSNBC news* 22 Jan. 2004. Online. Internet. 31 July 2004. Available: <http://msnbc.com/id/4028992/>

²⁹ Juan, Zarate. "Joint U.S. and Saudi action in the financial war on terror." *Saudi-U.S. relations information service* 4 June 2004. Online. Internet. 28 July 2004. Available: <http://www.saudi-us-relations.org/newsletter2004/saudi-relations-interest-06-04a.html>

only when their interests coincide with these of the United States. In other words, they are friends but not true allies.”³⁰

b. Economic, political, and social reforms

Economic reform in Saudi Arabia is of importance to both the Kingdom and the United States. In a study titled “the prospects for stability in Saudi Arabia in 2004”, Anthony Cordesman-Chair in Center for Strategic and International Studies (CSIS) writes about the advantages of reform in Saudi Arabia imposed by the United States. He states that supporting reform in Saudi Arabia offers a far better chance for stability in the kingdom. He suggests that the U.S. can accomplish far more by encouraging internal reform than by attempting to impose its own solutions. He believes that Saudi Arabia faces mid to long term demographic, social and economic pressures that make economic diversification and reform critical to its stability and its people. This requires U.S. support and the flows of foreign direct investments. If not, the destabilization of the kingdom will become a self fulfilling prophecy.³¹ Reform will also be the best approach to deal with

³⁰ Simon, Henderson. *The new pillar: Conservative Arab Gulf states and U.S. strategy*. Washington DC: The Washington Institute For Near East Policy, 2003p.83.

³¹ Anthony Cordesman. “The prospects for stability in Saudi Arabia in 2004.” *Center for strategic and international studies* 19 February 2003. Online. Internet. 19 February 2004. Available: http://www.csis.org/burke/saudi21/040219_prospectsfor_stability.pdf

the need for more Saudi action. On the other hand, Saudi Arabia must maintain popular support and many of the necessary social and educational reforms.

As for political and social reforms, there is a wide consensus among Saudis on its necessity to overcome the negative social aspects that have emerged. The Saudi people are starting to reject their roles as spectators of the Saudi political life; they demand to be engaged as responsible citizens.

A speech at the House of Lords on the 14th of January 2003 covered the internal and external factors that makes it necessary for Saudi Arabia to make a political reform, the internal factors are the following: 1) The economic crisis (unemployment level over 30%; internal debt over 180 billion\$); 2) The expansion of the middle class as a product of long-term process of modernization; 3) Change in the political culture of people in the Kingdom; 4) The increasing violence based on socio-political motives; 5) The politicization of people through traditional channels. The external factor is the American pressure for political reform in the Kingdom which is an inevitable consequence of the 9/11 event.³²

³² Hamza Al-Hassan. "General observations on political reforms in Saudi Arabia." *The Saudi institute* 14 January 2003. Online. Internet. 10 Aug 2004. Available: <http://209.197.233.93/index2.php?option=content&task=view&id=44&pop=1&page=0>

c. Internal stability

The United States and Saudi Arabia have an interest in the long term internal stability of Saudi Arabia. Cordesman states that Saudi Arabia's population has climbed from 6 millions in 1970 to 22 millions in 2004 and is expected to climb to 55 millions in the year 2030; while unemployment is estimated to be in excess of 20%.³³ He adds that Saudi Arabia can no longer provide social services and modernize without major economic reforms; that's because of the doubling of the Kingdom's population and the worldwide cuts in oil prices which have reduced its per capita income for petroleum exports.³⁴ Hence, the lack of past economic reforms and massive population growth in the Kingdom are reducing real per capita income and creating much unemployment and instability. At the same time, Saudi Arabia has economic reform plans that can help internal stability and put an end to the causes of terrorism.

A report issued by Dr. Michael Donovan-a research assistant in the Center for Defense Information- states that "the relationship between Al Saud and the religious community

³³Anthony H Cordesman. "Ten reasons for re forging U.S. and Saudi relations." *Center for Strategic and International Studies* 30 January 2004. Online. Internet. 12 Aug 2004. Available: http://www.csis.org/press/ma_2004.0130_notes.pdf

³⁴Anthony H Cordesman. "Ten reasons for re forging U.S. and Saudi relations." *Center for Strategic and International Studies* 30 January 2004. Online. Internet. 12 Aug 2004. Available: http://www.csis.org/press/ma_2004.0130_notes.pdf

remains the principal pillar upon which Saudi stability rests.”³⁵

The reliance on foreign troops for defense highlighted the vulnerability of the monarchy; thus, in the eyes of the religious opposition, western troops remaining in Saudi Arabia are a support for what has become an illegitimate government. Donovan believes that the terrible economic conditions have exposed the royal family to charges of waste and corruption and lead to instability.³⁶

Another point worth mentioning is that of Dan Morgan and David Ottaway- writers in the Washington Post magazine- who mentioned that since 1970's, Saudi Arabia became U.S. economic partner and after the Soviet invasion to Afghanistan and the Iranian revolution, Saudi Arabia turned to the U.S. for modern weapons.³⁷ They add that in 1990, it served as the main staging ground for U.S. forces that drove Iraq from Kuwait. Moreover, U.S. construction companies and arms suppliers have earned more than \$ 50 billion in Saudi Arabia while more than 30000 Americans are employed by Saudi companies and U.S.

³⁵ Michael, Donovan. "Islam and stability in Saudi Arabia." *Terrorism project* 13 Nov 2001. Online. Internet. 18 Aug 2004. Available:

<http://www.cdi.org/terrorism/saudi-pr.cfm>

³⁶ Michael, Donovan. "Islam and stability in Saudi Arabia." *Terrorism project* 13 Nov 2001. Online. Internet. 18 Aug 2004. Available:

<http://www.cdi.org/terrorism/saudi-pr.cfm>

³⁷ Dan Morgan and David Ottaway. "Apparent role of Saudis draws scrutiny to Kingdom's tensions." *Washington Post* 21 Sept. 2001. Online. Internet. 20 Aug 2004. Available: <http://www.library.cornell.edu/colldev/mideast/sakinrol.htm>

investments in the country reached \$4.8 billion in the year 2000. Hence, internal stability in Saudi Arabia is crucial for long term U.S. security and economic interests.

d. The Arab Israeli peace process

Both U.S. and Saudi Arabia need to work together as much as possible to push the Arab Israeli peace process forward and reduce support for violent extremism on both sides. There should be a just, secure and long lasting peace so that the two countries share common objectives. The conflict between Arabs and Israeli present a danger to the stability of the region and poses risks for the regional interests of the United States.

Professor Augustus Richard Norton writes that as the Arab-Israeli conflict and its dangers to the regional security grow this will lead to radicalism while radicalism represents a threat to U.S. interests in the region.³⁸

Moreover, peace is very important to the United States who is aiming at establishing democracy in Saudi Arabia. As Glenn E. Robinson assumes “peace begets prosperity and possibly democracy.”³⁹ Robinson states the official line vision about what the Middle

³⁸ Richard Augustus, Norton. “the Arab Israeli conflict: an enduring danger to regional security,” in Olson, WM, J. ed., *U.S. strategic interests in the Gulf region*. (Boulder and London: Westview press, Inc, 1987) p.33.

³⁹ Glenn, Robinson. “the greater Middle East co-prosperity sphere: the Arab Israeli problem and Gulf security,” in Long, David E. and Koch Christian. eds. *Gulf security in the twenty-first century*. (Abu Dhabi, United Arab Emirates: the emirates center for strategic studies and research, 1997) p.169.

East would be like after the Arab-Israeli peace process. The official line believes that a comprehensive resolution of the Arab Israeli conflict will enhance the economic well being in two ways: First it will free up resources used by states for security reasons and will be used for development instead. Second, it will reduce instability in the region and this will attract investors. In addition, by removing the external enemy (Israel) which has justified vast military build up, the reason for repression is removed, leading to political reform and liberalization.⁴⁰

3) Strategic interests

a. Security cooperation

The United States and Saudi Arabia share a common interest in regional security.

A significant point that was written by Anthony Cordesman in the CSIS report is the continuing need for U.S. and Saudi security cooperation. He states that U.S. training and support is critical to all Saudi Arabia's military services. He adds that Saudi Arabia signed between 1995 and 2002 some \$ 7.7 billion worth of new arms agreements with the U.S, and the Saudi need for U.S. training and technical support will continue for at least

⁴⁰Glenn,Robinson. "The greater Middle East co-prosperity sphere: the Arab Israeli problem and Gulf security," in Long, David E. and Koch Christian,eds. *Gulf security in the twenty-first century*. (Abu Dhabi, United Arab Emirates: the emirates center for strategic studies and research, 1997) .p.174.

another decade.⁴¹

To shorten, the U.S. wants close ties with Saudi Arabia which has one fourth of the world's oil reserves in order to maintain regional security and secure the huge flow of oil at market prices; it maintains U.S. troops in the Kingdom to protect the country because they don't want oil to be under the control of unfriendly regimes.⁴² The Saudis, in turn, want close security ties to Washington because they do not alone have the man power base to defend themselves against the region's powers such as Iran. The mutual security interests of Riyadh and Washington have fostered close military cooperation.

⁴¹ Anthony H. Cordesman. "Ten reasons for forging US and Saudi relations." *Center for Strategic and International Studies* 30 January 2004. Online. Internet. 12 August 2004. Available:

http://www.csis.org/press/ma_2004.0130_notes.pdf

⁴² Margot, Patterson. "The politics of oil: U.S-Saudi relationship shows cheap fuel comes at a price-world-United States/Saudi Arabia." *National Catholic Reporter* 19 Oct. 2001. Online. Internet. 26 July 2004. Available:

http://www.findarticles.com/p/articles/mi_m1141/is_44_37/ai_79965473

Chapter III

The evolution of U.S-Saudi relationship

A. The 1970's: boycotts and arms sales

The U.S-Saudi relationship had very strong roots during the 1970's and managed to prosper in spite of differing interests appearing during the 1970's.

Initially, Saudi Arabia and the United States had an agreement about the fact that Saudi Arabia was in need of protection from potential adversaries or other attempts to disrupt its oil supply. On the other hand, Saudis were interested in weapons purchases; however the two sides diverged on how to provide protection for Saudi Arabia and the type and number of weapons to be bought by the Kingdom.

1) Construction of Saudi armed forces, air forces and air defense

Saudi military forces were virtually non-existent at the beginning of the 1970's. Saudi oil revenues increased during this period and British forces withdrawal from the Gulf region was close to happen. Hence, the U.S. chose a strategy set forth in the Nixon Doctrine of 1969.⁴³ This strategy called for the defense buildup of Saudi Arabia and Iran through

⁴³ John P Miglietta. *American alliance policy in the Middle East 1945-1992, Iran Israel and Saudi Arabia.* (United States of America: Lexington books, 2002), p.229.

U.S. arms supplies. This new U.S. strategy converged with Saudi desire to strengthen its defenses in response to perceived threats in the region. One of the threats to the Saudi regime was the Yemeni civil war which lasted from 1962 to 1970. Hence, Saudi Arabia felt the need to develop a military force.

In the book entitled American alliance policy in the Middle East, 1945-1992 , the author John P. Miglietta states: "An American air defense survey team completed a study in November 1963, in the wake of the outbreak of the civil war in North Yemen. This survey recommended to the Saudis that they acquire surface-to-air-missiles, an air defense radar net, and three squadrons of supersonic aircraft in groups of twelve."⁴⁴

He adds that in 1968, Saudis contracted to purchase an additional half battery of HAWK (Homing All The way Killer) missiles and AIM9E and modification kits for the F-86 fighter. While in 1969, it purchased four additional planes deploying them into two transport squadrons; and in 1974, it placed an order for improved HAWKS surface to air missile.⁴⁵

In response to Saudi requests for assistance to cope with instability produced by Yemen,

⁴⁴ John P Miglietta. *American alliance policy in the Middle East 1945-1992, Iran Israel and Saudi Arabia.* (United States of America: Lexington books, 2002), p.210.

⁴⁵ Ibid. p.210.

the U.S. initiated a training mission comprised of U.S air force assets that the Saudis wanted based at Jeddah in close proximity to the Yemeni border. However, as Josh Pollack stated in the Middle East review of International affairs, "The Americans insisted on keeping their aircraft at Dhahran, much farther from the Yemen border... The Kennedy administration's primary concerns were the continuing independence of the Kingdom and the security of its oil fields. They regarded the defense of Saudi Arabia's southern borders less significant, certainly in comparison with the need to avoid unnecessary confrontation with Nasser, whom American policy makers now considered an alternative to Soviet influence."⁴⁶ The contradictory intentions of the United States raised Saudi concerns over U.S. commitments and led the Saudis to fortify their defense forces. In response to Crown Prince Abdullah's request for U.S. security assistance in September 1971, the U.S. army Corps Of Engineers (COE) was sent to the Kingdom in order to assist in the construction of a Saudi military infrastructure. The COE established plans for the construction of military facilities in Khamis Mushayt, Tabuk and King

⁴⁶ Josh, Pollack. "Saudi Arabia and the united states, 1931-2002." *Middle east review of international affairs* September 2002. Online. Internet. 8 June 2004. Available: <http://meria.idc.ac.il/journal/2002/issue3/jv6n3a7.html>

Khaled military city near the Iraqi border.⁴⁷

By 1973, the Saudi Arabian National Guard has been established and the Saudis requested the U.S. to develop a program for the modernization of this force. An agreement was made for this purpose and officially approved in 1975.⁴⁸

In the 1970's, oil prices witnessed a rise allowing the Saudi regime to purchase weapons from Western sources. Congress had been particularly sensitive to the argument that enhancing Saudi arms inventories could result in an increase in overall threats to Israel, although some members have supported such sales on the grounds that they help Saudi defense capabilities in the Gulf and enhance the U.S. market. This has attracted the attention of pro-Israeli lobbies in Washington which led to anti-Saudi campaigns whose purpose was to block Saudi arms requests. This had been followed by a Saudi political decision that dramatically impacted U.S-Saudi relations: The Arab oil boycott.

2) The 1973 oil embargo

The objective of the 1973 oil embargo was to generate American pressure on Israel to let go the occupied territories, especially Jerusalem. Prior to the outbreak of the 1973 Arab-

⁴⁷ John P. Miglietta. *American alliance policy in the Middle East 1945-1992, Iran Israel and Saudi Arabia.* (United States of America: Lexington books, 2002), p.217.

⁴⁸ *Ibid*, p.211.

Israeli war, Saudi Arabia resisted all urgings to use the oil weapon as a political tool in the Israeli-Palestinian crisis. Emile Nakhle states that “separation of oil and politics was the operative principle of Saudi foreign policy.”⁴⁹

However, the situation changed in 17 October 1973, and a total embargo against the U.S. had been discussed during a meeting of Arab oil producing representatives but was not implemented until the following day when President Nixon asked congress to supply Israel with \$2.2 billion in military assistance.⁵⁰ The king responded to this by imposing “a total embargo on shipment of oil to the United States and Netherlands and to slash oil production by 26 percent.”⁵¹ However, on March 1974 the embargo was lifted because King Faisal was satisfied that the United States is working on ending the Israeli occupation of the Arab land. The oil embargo of 1973 clearly identified the limits of the U.S.-Saudi relationship.

3) Saudi arms requests and the battle over congress

During most of the 1970's, Saudi arms requests lead to intra-governmental battles in

⁴⁹ Emile A Nakhleh. *The United States and Saudi Arabia: A policy analysis*. (Washington DC: American enterprise institute for public policy research, 1975) p.52.

⁵⁰ Sheikh Ali Rustum. *Saudi Arabia and oil diplomacy*. New York: Praeger Publishers, 1976), p.82.

⁵¹ Ibid p.82.

Washington. These battles often came from the powerful pro-Israeli lobby, which typically applied its pressure through Congress against the Arab lobby. The Saudis also felt that the United States was favoring Israel through its arms shipments. As a result, the Saudis expected some delays in arms shipments. In addition, defective equipment delivered to the Saudis that was less than specification further contributed to the Saudi perception that the U.S. tended to favor Israel: "The Carter administration in confirming this sale promised that the F-15s would lack critical attack capabilities. These included certain avionics as well as providing that there would be no linkages to an early warning radar system, no long range fuel pods or bomb racks, as well as fewer hard spots on the air frame to limit the capacity for offensive operations."⁵²

A Saudi request to purchase F-15s in 1978 served as a "litmus test" for U.S.-Saudi relations.⁵³ Regardless of the modifications in the arms shipments to Saudi Arabia, the U.S. appeared to have passed the Litmus test as it had, in the minds of the Saudis, kept its promise to sell the Saudis the F-15s.

In the fall of 1978, American and Saudi relations were again given an opportunity for

⁵² John P. Miglietta. *American alliance policy in the Middle East 1945-1992, Iran Israel and Saudi Arabia.* (United States of America: Lexington books, 2002), p.233.

⁵³ *Ibid*, p.232.

advancement. American dependability was tested following the downfall of the Shah of Iran. The United States responded to a Saudi request for assistance by sending unarmed F-15 aircraft to the Kingdom.⁵⁴ The Saudis, in return, came to the aid of the United States and the rest of the world by increasing oil production to counter the interruption in the Iranian oil supply.⁵⁵ However, this did not last long as the Saudis decreased oil production in January 1979 because of the regime's discord with U.S. attempts to associate Saudi Arabia with the Camp David accords.

4) Camp David accords

Toward the end of the 1970's, President Carter continued to push for Saudi support of the Camp David peace accords between Egypt and Israel.

Saudi Arabia supported a peaceful resolution of the Arab-Israeli conflict based on U.N. security council resolution 242-338. It rejected the Camp David accords claiming that, unlike 242-338, they would be unable to achieve a comprehensive political solution that would ensure Palestinian rights. Thus, Saudi Arabia reacted negatively to the agreement

⁵⁴ Josh, Pollack "Saudi Arabia and the United States, 1931-2002." *Middle east review of international affairs* September 2002. Online. Internet. 8 June 2004. Available: <http://meria.idc.ac.il/journal/2002/issue3/jv6n3a7.html>

⁵⁵ Josh, Pollack. "Saudi Arabia and the United States, 1931-2002." *Middle east review of international affairs* September 2002. Online. Internet. 8 June 2004. Available: <http://meria.idc.ac.il/journal/2002/issue3/jv6n3a7.html>

reached between Egypt and Israel. After the Camp David accords were signed in March 1979, Saudi Arabia broke diplomatic ties with Egypt and cut off economic aid.⁵⁶

B. The 1980's

The United States foreign policy in the Persian Gulf shifted as a result of the Iranian revolution and subsequent regime change in Iran combined with the deterioration of the American-Soviet relations and the Soviet invasion of Afghanistan in 1979.⁵⁷

The 1980's began with the establishment of the Carter Doctrine which was prompted by the Soviet invasion: "The emphasis of the Carter administration was to develop, or reorient military forces to counter a Soviet attack in the region... Another important factor implicit in the Carter Doctrine was to prevent the emergence of a powerful regional actor who would threaten American interests."⁵⁸ Thus, the United States launched a new strategy by focusing more on developing military forces in the region. However, the two sides couldn't reach an agreement of military cooperation

⁵⁶ "Saudi Arabia: Arab unity." *2003 market research report size, share, strategies, trends*. Online. Internet. 9 June 2004. Available:

<http://www.country-data.com/cgi-bin/query/r-11652.html>

⁵⁷ Barry, Rubin. "The United States and the Middle East, 1982-1983." *Middle east review of international affairs*. Online. Internet. 9 June 2004. Available:

<http://meria.idc.ac.il/us-policy/data1982.html>

⁵⁸ John P Miglietta. *American alliance policy in the Middle East 1945-1992, Iran Israel and Saudi Arabia*. (United States of America: Lexington books, 2002), p.259.

because of the Arab opposition of Camp David accords.

During the first quarter of 1980, the Saudi regime denied the U.S. excess oil during the U.S. attempt to increase strategic oil reserves. As a result, the United States denied Saudi requests for F-15 equipment and Airborne Warning and Control System (AWACS) aircraft.⁵⁹ However, President Carter reversed his decision afterwards because “there was a strong possibility that the failure of AWACS sale would result in other European countries, especially France, gaining market Share in Saudi Arabia.”⁶⁰ The incoming Reagan administration completed the sale of F-15 bomb racks to the Saudis and promised to increase arms sales to the region because it viewed the fall of the Shah of Iran as a serious deterioration in western security interests in the region.⁶¹

1) Saudi Arabia and the Reagan years

President Reagan’s intention toward Saudi Arabia was illustrated by a remark in his statement of October 1, 1981: “Saudi Arabia we will not permit to be an Iran.”⁶² Rubin

⁵⁹ John P Miglietta. *American alliance policy in the Middle East 1945-1992, Iran Israel and Saudi Arabia.* (United States of America: Lexington books, 2002), p.240.

⁶⁰ Ibid, p.240.

⁶¹ Barry.Rubin. “The United States and the Middle East, 1982-1983.” *Middle east review of international affairs*.Online.Internet.9 June 2004.Available: <http://meria.idc.ac.il/us-policy/data1982.html>

⁶² Barry Rubin. “The United States and the Middle East, 1980-1981.” *Middle east review of international affairs*.Online.Internet.9 June 2004.Available: <http://meria.idc.ac.il/us-policy/data1980.html>

states that the implication was that United States would not only intervene against any Soviet aggression in the Gulf but also against any internal upheaval in the Kingdom.⁶³ Consequently, the Reagan administration suggested increasing U.S. military presence in the Gulf in order to counter any potential threats and provide stability to the region; however, the Saudi regime declined this proposal. Saudis preferred to have the U.S. military out of sight but at the same time close to respond to a crisis. The regime was more interested in arms sales, particularly the U.S. air force AWACS. The Reagan administration responded to Saudi requests by announcing the sale of five AWACS surveillance planes at a cost of \$8.5 billion.⁶⁴

Despite that the sale was approved behind the personal efforts of President Reagan, future arms sales did not receive such presidential success. In 1985, President Reagan suggested to sell Saudi Arabia additional F-15s; however, this sale was blocked by pro-Israeli groups in Congress. Consequently, Saudis looked to another arms supplier with less sales restrictions: The Chinese. In return, the U.S. pushed through pending arms sales to the

⁶³ Barry Rubin. "The United States and the Middle East, 1980-1981." *Middle east review of international affairs*. Online. Internet. 9 June 2004. Available: <http://meria.idc.ac.il/us-policy/data1980.html>

⁶⁴ John P Miglietta. *American alliance policy in the Middle East 1945-1992, Iran Israel and Saudi Arabia*. (United States of America: Lexington books, 2002), p. 238.

Saudis.⁶⁵ Despite stipulations accompanied with U.S. arms sales, the Saudis came to the aid of the U.S. by increasing oil production following the Iran-Iraq war.

2) The Iran-Iraq war

In 1980, during the Iran-Iraq war, the Saudis sided with Iraq and didn't ask for American help at first; however, when their oil fields received Iranian fire, they requested U.S. assistance. U.S. sent AWACS to the region and asked the Saudi regime to make its request for security assistance public against Saudi desires.

The Iran-Iraq war ended in 1988 with an increased presence of the U.S. in the Gulf region. Iraq had received financial support from both Kuwait and Saudi Arabia with the latter willing to take off the Iraqi debt. Iraq was in debt to Kuwait, and thought that the debt should be forgiven. Moreover, Kuwait supplies much of the world's oil supplies, and by invading it, Iraq would control 24% of the world's oil supplies. Also, Saddam Hussein believed that Kuwait was producing more oil than it was supposed to, taking out of Iraq's profits. This had led Saudi Arabia and the United States to the Persian Gulf War.

⁶⁵ Josh Pollack. "Saudi Arabia and the united states, 1931-2002." *Middle east review of international affairs* September 2002. Online. Internet. 8 June 2004. Available: <http://meria.idc.ac.il/journal/2002/issue3/jv6n3a7.html>

C. The 1990's

U.S. commitment to its Saudi ally was displayed strongly after the Iraqi invasion of Kuwait in 1990. At the time when U.N. was building a coalition against Iraq, Saudi Arabia was organizing the Arab portion of the coalition. The Kingdom received at that time hundreds of thousands of U.S. soldiers to be used against Iraq.

During the summer of 1992, King Fahd received a "momentum of advice" that called for expanding the army, obligatory military training, the diversification of foreign arms sources, and the building of domestic arms industry. It also criticized the government for corruption and human rights abuses.⁶⁶ There was a strong domestic opposition to the relations with the U.S. and the Saudi regime was still opposed to accepting an expanded foreign military presence in the Kingdom. The Saudis did, however, complete several major contracts with the U.S. following the Gulf war including 72 F-15s at the cost of \$7 billion.⁶⁷

Since 1991, Saudi Arabia permitted the U.S. air force to enforce the southern Iraqi no fly

⁶⁶ Najla Al Rostamani. "At the crossroads: Saudi Arabia in transition." *Gulf news* 25 November, 2003. Online. Internet. 12 June 2004. Available: <http://www.gulf-news.com/Articles/opinion.asp?ArticleID=103790>

⁶⁷ Josh Pollack. "Saudi Arabia and the united states, 1931-2002." *Middle east review of international affairs* September 2002. Online. Internet. 8 June 2004. Available: <http://meria.idc.ac.il/journal/2002/issue3/jv6n3a7.html>

zone from Saudi bases. The Saudi regime maintained its harsh attitude against U.S.

attacks on Iraq from its bases following the crisis in February 1998 in which Saddam Hussein forced the withdrawal of U.N. weapons inspectors from Iraq. This crisis caused the operation Desert Fox upon which the Saudi regime forbade the use of its bases for attacks against Iraq.⁶⁸

Despite the end of the Gulf war, U.S. forces remained for through the rest of the decade and U.S. foreign policy in the Gulf transformed into dual containment of Iraq and Iran.

During President Clinton administration, the United States policy focused on the Middle East peace process. The U.S. attitude toward the Israeli-Palestinian crisis led to terrorists activities against American personnel in the Kingdom. On November 13, 1995, an attack in Riyadh killed 5 Americans.⁶⁹ In June 1996, an explosion took place at the Khobar towers and killed 19 U.S. Air force personnel and wounded many others. The same year, the United States persuaded Sudan to expel Bin Laden and the Saudi regime refused to

⁶⁸ Daryl Champion. "The Kingdom of Saudi Arabia: Elements of instability within stability." *Middle East Review of International Affairs* vol.3, No.4 December 1999. Online. Internet. 12 June 2004. Available: <http://meria.idc.ac.il/journal/1999/issue4/champion.pdf>

⁶⁹ Alfred B Prados. "Saudi Arabia: Post-war issues and U.S. relations." *CRS issue brief for congress*. 13 April 2001. Online. Internet 1 May 2004. Available: <http://www.ncseonline.org/NLE/CRSreports/international/inter-74.cfm?&CFID=14203797&CFTOKEN=58882826>

have him in the Kingdom.⁷⁰

Toward the end of President Clinton's Administration, the U.S.-Saudi relationship had declined. In January 2001, the Administration of George W. Bush had inherited a neglected relationship between the two nations from the Clinton Administration.

D. The beginning of the 21st century

The start of the 21st century witnessed continued Saudi arms requests from the United States. On June 3, 2001, Saudi Arabia signed agreements with eight international oil companies, five of which are Americans, to develop three natural gas fields in addition to power plant and water desalinization programs worth \$25 billion.⁷¹ Despite U.S.-Saudi close relations, the Saudis maintained their views against U.S. attacks on Iraq from Saudi bases. After the American attack on Baghdad on February 2001 from Prince Sultan air base in Saudi Arabia, the regime imposed operational restrictions on warplanes operating out of prince Sultan air base and forbade further U.S. offensive operations against Iraq.⁷²

⁷⁰ Alfred B Prados. "Saudi Arabia: Post-war issues and U.S. relations." *CRS issue brief for congress*. 13 April 2001. Online. Internet 1 May 2004. Available: <http://www.ncseonline.org/NLE/CRSreports/international/inter-74.cfm?&CFID=14203797&CFTOKEN=58882826>

⁷¹ Alfred B Prados. "Saudi Arabia: Current issues and U.S. relations." *CRS issue brief for congress* 6 March 2002. Online. Internet. 13 June 2004. Available: <http://fpc.state.gov/documents/organization/9049.pdf>

⁷² Josh Pollack. "Saudi Arabia and the United States, 1931-2002." *Middle east review of international affairs* September 2002. Online. Internet. 8 June 2004. Available: <http://meria.idc.ac.il/journal/2002/issue3/jv6n3a7.html>

Chapter IV

The main cause of 9/11

A. Introduction

9/11 was the major international tragedy at the start of the 21st century. In the decade before, terrorism was not absent from politics and was seen as part of the dark side of globalization. However, September 11 made international terrorism one of the most pressing global problems.

As was discussed in the previous chapter of this research, the United States and Saudi Arabia share a lot of common interests whether economic, political or strategic; in addition to a history of strong and productive relationship.

What is very surprising is that despite all that, most of the terrorists who committed the September 11 attacks belong to Saudi Arabia. This proves the necessity to discuss the possible factors that might have caused 9/11 and the effects of this tragedy on U.S. foreign policy.

B. The main cause of 9/11

1) U.S. foreign policy in the Middle East

a. U.S. troops in Saudi Arabia

Saudi Arabia contains Islam's two holiest sites which are Mecca and Medina and the deployment of U.S. forces there is seen as a historic betrayal by many Islamists, notably Osama Bin Laden. It is one of the main reasons given by Bin Laden-blamed by Washington for the 11 September attacks- to justify violence against the United States and its allies. An article written by Erich Marquardt mentions the words of the U.S. deputy defense secretary Paul Wolfowitz who stated that the September 11 attacks were the anticipated side effects of U.S. policies abroad such as the stationing of troops in Saudi Arabia and the Gulf region, providing large amounts of military and financial aid to Israel, aiding Middle Eastern despots who suppress domestic dissent and many other factors.⁷³ U.S. troops in Saudi Arabia helped lead to what U.S. intelligence agencies term as "blowback" when U.S. policies cause unexpected damage to U.S. interests.⁷⁴

⁷³ Erich Marquardt. "Washington aims to isolate militant Islam." *Global policy forum* 5 June 2003. Online. Internet. 20 September 2004. Available:

<http://www.globalpolicy.org/wtc/fundamentalism/2003/0605militant.htm>

⁷⁴ Erich Marquardt. "Washington aims to isolate militant Islam." *Global policy forum* 5 June 2003. Online. Internet. 20 September 2004. Available:

<http://www.globalpolicy.org/wtc/fundamentalism/2003/0605militant.htm>

Hence, it is clear that Washington has a significant interest in increasing its influence in the Middle East in order to eliminate the groups that are willing to use violence to damage U.S. interests at home and abroad.

Another article issued by the Council on Foreign Relations states that the prolonged U.S. military presence caused resentment and anger toward the Kingdom's authoritarian government and fueled Islamic extremism. It also mentions that both the United States and Saudi Arabia had indicated before that both sides would benefit if U.S. forces left the country when the war against Iraq ends.⁷⁵ However, some terror experts believe that the withdrawal of U.S. troops would not necessarily decrease the Islamic extremism. As Matthew Levitt, a terrorism expert at the Washington institute for near East policy argues that "al Qaeda's jihad against the West is much larger than just the situation in Saudi Arabia."⁷⁶

b. U.S. support for repressive regimes

One of the main reasons of anti-Americanism and the September 11 attacks is U.S.

⁷⁵ "Saudi Arabia: Withdrawal of U.S. forces." *council on foreign relations* 2 May 2003. Online. Internet. 19 September 2004. Available:

http://www.cfr.org/background/saudiarabia_usforces.php

⁷⁶ "Saudi Arabia: Withdrawal of U.S. forces." *council on foreign relations* 2 May 2003. Online. Internet. 19 September 2004. Available:

http://www.cfr.org/background/saudiarabia_usforces.php

support for autocrats and repressive regimes such as Saudi Arabia and Egypt. Some experts argue that the lack of a democratic outlet in Arab countries fosters a breeding ground for Islamic extremists such as Osama Bin Laden and allies in his Al-Qaeda terrorist network. Bin Laden and his Al-Qaeda followers have long opposed the regime ruling in Saudi Arabia and have railed against the U.S. for backing them. Islamic extremists believe that American claims to be the champion and protector of human rights, democracy and liberties while at the same time forcing on Muslims oppressive political regimes.

Zunes-an associate professor of politics at the University of San Francisco- believes that “Washington has used the threat of Islamic fundamentalism as a justification for keeping a high military, economic and political profile in the Middle East. Yet it has often supported Muslim hardliners when they were perceived to enhance U.S. interests, as they did in Afghanistan, Pakistan and Saudi Arabia.”⁷⁷ He believes that extremist Islamic movements arise in response to U.S. policies and he gives an example about that stating that in 1953, the support for the brutal regime of the Shah, led directly to the rise of the

⁷⁷ Stephen Zunes. “U.S. policy toward political Islam.” *Foreign policy in focus* June 2001. Online. Internet. 6 October 2004. Available: http://www.crescentlife.com/heal%20the%20world/us_policy_toward_political_islam.htm

Islamic revolution in that country. Zunes adds that the U.S. support for repressive governments makes democratic and non violent options for the Islamic opposition extremely difficult. According to Zunes, the U.S. has rationalized its support for these regimes engaging in patterns of human rights violations as necessary means of suppressing an Islamic opposition that the U.S. fears would be even worse if it comes to power.⁷⁸

c. UN sanctions on Iraq

The United Nations' economic sanctions on Iraq are one of the grievances believed to be behind September 11 attacks. The United States is the leading advocate of maintaining the U.N. sanctions on Iraq. U.S. saw the sanctions as a means to prevent Iraq from rebuilding its military capabilities and serve as a form of arms control. Even if the sanctions were not a cause of September 11, they are a wellspring of anti-Americanism in the Middle East.

The author David Rieff states that some people argue that the reason Iraq was in such terrible shape was not Saddam Hussein's brutality but rather the comprehensive

⁷⁸ Stephen Zunes. "U.S. policy toward political Islam." *Foreign policy in focus* June 2001. Online. Internet. 6 October 2004. Available: http://www.crescentlife.com/heal%20the%20world/us_policy_toward_political_islam.htm

regime of economic sanctions that the United Nations security council imposed on Iraq for almost 13 years, sharply restricting all foreign trade.⁷⁹

Denis Halliday-The United Nations' humanitarian coordinator in Iraq- writes that the U.S. driven sanctions lead to certain stability in Iraq under Saddam Hussein; however, it created instability outside Iraq enabling the U.S. and Britain to sell vast amounts of weapons to Arab countries. He adds that this instability has allowed U.S. control of oil resources.⁸⁰

According to Nafeez Mosaddeq Ahmed who is a political analyst and a human rights activist, the sanctions imposed on Iraq were part of an overall destabilization strategy.

The specific interest is unimpeded access to Middle East oil and other resources. He writes: "With particular respect to Iraqi oil, another U.S. objective is to prevent it from entering the world market unimpeded since this would presently be detrimental to corporate profits by damaging the Saudi economy. Indeed, this is one of the most crucial

⁷⁹ David Rieff. "Were sanctions right?" *Global policy forum* 27 July 2003. Online. Internet. 4 October 2004. Available:

<http://www.globalpolicy.org/security/sanction/iraq1/2003/0727right.htm>

⁸⁰ Denis J Halliday. "U.N. sanctions against Iraq only serve U.S. ambition." *News center* 11 August 2000. Online. Internet. 4 October 2004. Available:

<http://www.commondreams.org/views/081100-104.htm>

reasons for the continuation of the sanctions.”⁸¹

d. U.S. support of Israel

U.S. support for Israel has created enormous resentment throughout the Middle East.

There is enormous resentment at ongoing U.S. diplomatic, financial and military support for Israeli occupation forces and their policies.

As long as U.S. military, diplomatic and economic support of the Israeli government remains unconditional, despite Israel's ongoing violation of human rights, there is no incentive for the Israeli government to change its policies. The growing Arab resentment that results can only threaten the long term security interests of Israel and the United States.

Jack Smith-the former chief editor of “the Guardian”, mentions four reasons for the attacks of 9/11. The primary reason is the U.S. policy and actions in the Middle East; while the other reasons involve the Afghan civil war, the first U.S-Iraq war and the one sided U.S. support for Israel. About U.S. support for Israel, Smith states that the U.S. has been devoted to Israel as a surrogate for American military power in the

⁸¹ Ahmed Nafeez Mosaddeq. “Bleeding the Gulf: The United Nations sanctions on Iraq.” *Media Monitors Network* 30 October 2001. Online. Internet. 4 October 2004. Available: <http://www.mediamonitors.net/mosaddeq17.html>

region since the June 1967 war. He writes that Arabs have expressed the conviction that the Bush administration's attack on Iraq was in part motivated by a desire to destroy Israel's principal opponents in the region, with Syria and Iran as potential target as well.⁸²

e. U.S. militarization of the region

The Middle East is the destination of the majority of American arms exports, creating enormous profits for weapons manufacturers and contributing greatly to the militarization of the region. Arms sales are an important component of building political alliances between the U.S. and Middle Eastern countries particularly recipients such as Saudi Arabia.⁸³

Zunes states that the U.S. justifies \$3 billion in annual military aid to Israel on the grounds of protecting that country from its Arab neighbors, even though the United States supplies most of those arms to these countries. Moreover, it is not surprising that terrorists movement have arisen in a region where so many states maintain their power

⁸² Jack Smith. "9/11: The big question remains unasked." Asia times online 20 April 2004. Online.Internet.5 October 2004. Available:

http://www.atimes.com/atimes/Front_Page/FD20Aa03.html

⁸³ Stephen Zunes. "10 things to know about U.S. policy in the Middle East." *Alternet* 6 October 2004. Online.Internet.6 October 2004. Available:

<http://www.alternet.org/story/11592>

influence through force of arms.⁸⁴

f. U.S. inconsistency in its enforcement of international law

According to Zunes, the U.S. justified its strict sanctions and ongoing air strikes against Iraq on the ground of enforcing United Nations Security Council resolutions. Moreover, in recent years, the United States has also successfully pushed the UN Security Council to impose economic sanctions against Libya, Afghanistan and Sudan over extradition disputes, an unprecedented use of the UN's authority. However, the U.S. has blocked sanctions against such Middle Eastern allies as turkey, Israel and morocco for their ongoing occupation of neighboring countries which is also a violation of the international law.⁸⁵

Zunes adds that most observers recognize that one of the major obstacles to Israeli-Palestinian peace is the expansion of Israeli settlements in the occupied territories.

However, the U.S. has blocked enforcement of U.N. Security Council resolutions calling for Israel to withdraw its settlements from Palestinian land. These settlements were

⁸⁴ Stephen Zunes. "10 things to know about U.S. policy in the Middle East." *Alternet* 6 October 2004. Online.Internet.6 October 2004. Available: <http://www.alternet.org/story/11592>

⁸⁵ Stephen Zunes. "10 things to know about U.S. policy in the Middle East." *Alternet* 6 October 2004. Online.Internet.6 October 2004. Available: <http://www.alternet.org/story/11592>

established in violation of the international law, which forbids the colonization of territories seized by military force. In addition, the U.S. has not opposed the expansion of existing settlements. Instead; the U.S. has secured additional aid for Israel to construct highways connecting these settlements and to provide additional security, thereby reinforcing their permanence.⁸⁶

⁸⁶ Stephen Zunes. "10 things to know about U.S. policy in the Middle East." *Alternet* 6 October 2004. Online. Internet. 6 October 2004. Available: <http://www.alternet.org/story/11592>

Chapter V

The main effect of 9/11: Change in U.S. foreign policy

A. U.S. foreign policy before 9/11

For the most part in the years that followed World War II, the United States has remained dedicated to multilateral institutions as effective means to the resolution of international conflict and preservation of international security. The most significant foreign policy issue in the post- World War II years was the cold war where one of the most important challenges the U.S. faced is to prevent the third world states from allying with the Soviet Union; here, international governmental Organizations(IGO,s) were essential to American success.⁸⁷ By legitimizing United States military actions in ending conflicts in the third world, multilateral institutions helped eliminate the possibility of the Soviet Union intervening in conflicts and building alliances with third world states. According to officials during the Clinton Administration, the United States would maintain its support for multilateralism. However, according to John Feffer, the Clinton Presidency has seen U.S. drift toward unilateralism and the undermining of the

⁸⁷ Harold k Jacobson. "U.S. military security policies: the role and influence of IGOs", in Karns and Mingst, eds., *the United States and multilateral institutions: Patterns of changing instrumentality and influence* (Boston: Unwin Hyman, 1990) p.27.

international system. "The Administration also rejected the landmines treaty because of Pentagon opposition, signed the treaty establishing the international criminal court but refused to recommend ratification, stretched the Anti-Ballistic Missile Treaty (ABM) to near breaking point, maneuvered unilaterally to oust UN General Secretary Boutros Boutros-Ghali after a single term, undertook military actions in Iraq and Kosovo without UN approval, relied on NATO for military actions to provide a semblance of multilateralism, and launched counterterrorism strikes in Afghanistan and Sudan without building a case or a coalition."⁸⁸

On the other hand, Bush's foreign policy during his first eight months in office focused on pulling out the United States from international agreements. He withdrew from the Kyoto protocol and announced U.S. intentions to abandon the Anti-Ballistic Missile treaty (ABM). Moreover, the Comprehensive Test Ban Treaty (CTBT), for which Clinton administration had failed to win senate ratification, fell completely off the agenda, and in March 2001, the U.S. suspended missile talks with North Korea.⁸⁹

⁸⁸ John, Feffer. "Introduction", in John Feffer, ed., *Power trip: U.S. unilateralism and global strategy after September 11* (New York: Seven Stories Press, 2003), p.25.

⁸⁹ Phyllis Bennis. *Before & after: U.S. foreign policy and the September 11th crisis*. New York : Olive Branch Press, 2003. p.3.

A careful review of the early Bush Administration record on terrorism finds more continuity than change from the Clinton years, measured in actions taken and decisions made. When shifting directions, the new team did not always choose a more aggressive path as the case following will demonstrate. Bush conveyed, at least twice, the message to the Taliban that U.S. would hold the regime responsible for an al-Qaeda attack.

However, after concluding that Bin Laden's group had carried out the October 2000 attack on the USS Cole, the new Administration didn't choose to order armed forces into action. Moreover, Bush did not speak publicly of the dangers of terrorism before September 11. He mentioned few times "terrorist threats that face U.S." to explain the need to discard the Anti-Ballistic Missile treaty.⁹⁰

Hence, since he came to office, Bush intended to stick with the status quo. This is also reflected in U.S. continual support of repressive regimes such as Saudi Arabia and Egypt; and in keeping the sanctions on Iraq and only replacing them by the smart sanctions mentioned before.

As for multilateral institutions, he declared that they were fine if they serve immediate,

⁹⁰ Barton, Gellman. "A strategy's cautious evolution." *Washington post* 20 January 2002. Online. Internet. 25 December 2004. Available: <http://www.washingtonpost.com/ac2/wp-dyn/A8734-2002Jan19?language=printer>

concrete American interests. For him, agreements constrain the United States and not rogue states; so Washington would be better able to maximize its own security by minimizing the constraints on its freedom of action.⁹¹

B. Foreign policy after 9/11

The attacks of September 11 immediately transformed the foreign policy of President George W. Bush's Administration in several important ways. First, the United States now had an active and aggressive enemy that had launched an unprovoked attack against U.S. civilians on American soil. This gave U.S. foreign policy the focus that had been lacking since the defeat of the Soviet Union and the end of the cold war. Second, the United States was now engaged in a defensive war against an immoral enemy. This increased the influence of the ideological hardliners in the administration who had been warning the President from the beginning that the international arena was not as favorable as it initially had appeared: "The hardliners urged Bush to cut loose the United States from its moorings in the international system. In such a scenario, a newly confident United States intoxicated with its own military, economic and political preeminence would set out to

⁹¹ Ivo, H Daalder. and James M Lindsay. "the Bush revolution: The remaking of America's foreign policy." *The Brookings institution* May 2003. Online. Internet. 25 December 2004. Available: <http://www.wws.princeton.edu/bushconf/DaalderLindsayPaper.pdf>

remake the world in its own image, targeting adversaries, ignoring allies and acting with all the arrogance of a country that believes itself above criticism, a country in short that is on a power trip.”⁹² Donald Nuechterlein-a political scientist- states that Hardliners claim that America is so powerful militarily that it doesn't need the European allies in order to pursue the president's goal of "regime change" in Iraq. They also say that Bush should not be influenced by the leaders of Egypt and Saudi Arabia who told the president that it would be dangerous for stability in the Middle East to start a war against Iraq while Israeli troops are crushing the Palestinian Authority and reoccupying the West Bank territories.⁹³ He adds that the alternative strategy being urged on Mr. Bush by hardliners at the Pentagon is to ignore the Europeans and go it alone when necessary to crush "evil doers." They predict that other nations will support the United States when they see its determination to proceed.

The events of 9/11 also increased the power of the President in the making of foreign policy. During peacetime, when the United States has no clear enemy it is very difficult

⁹² John Feffer. "Introduction", in John Feffer, ed., *Power trip: U.S. unilateralism and global strategy after September 11* (New York: Seven Stories Press, 2003), p. 15.

⁹³ Donald E. Nuechterlein. "How important are the allies for Bush's foreign policy?" *Essays on American politics and foreign policy* July 2002. Online. Internet. 16 August 2005. Available: <http://www.donaldnuechterlein.com/2002/2002.jul.allies.html>

for a U.S. president to take aggressive steps in the area of foreign policy. However, the attacks against the United States justified the use of U.S. military power. Once U.S. was attacked, congress became more cooperative, and foreign policy moved to the top of the administration's agenda. On September 20 2001, Bush delivered this message to the world: "either you are with us, or you are with the terrorists."⁹⁴ This doctrine which is a declaration of American hegemony has redefined U.S. relationships around the world.

Initially, the Bush administration's response to the attack focused on destroying Al-Qaeda and the government in Afghanistan that harbored the terrorist organizations. The war in Afghanistan expanded to a war against Al-Qaeda cells operating in a variety of weak or failed states.

The Middle East has defined the first four years of George W. Bush's presidency. The wars in Afghanistan and Iraq, the Administration's initiative for the establishment of democracy in the Middle East, and the downplaying of the Israeli-Palestinian confrontation have overturned America's traditional approach to the region.

The contrast between the natures of the new enemy, in comparison to the old Soviet

⁹⁴ John, G Ikenberry. "September 11 terror attacks reshape U.S. security strategy." Xinhua News agency 10 September 2002. Online. Internet. 25 December 2004. Available: <http://test.china.org.cn/english/international/42486.htm>

enemy, led to the redefinition of U.S. military strategy and tactics. Cold war strategy had been based on the principles of containment and deterrence. But the terrorists that U.S. was now confronting were not associated with any particular territory and were not synonymous with a nation state. The terrorists also couldn't be deterred from further attacks by the threat of massive retaliation, since their secret and dispersed organization made massive retaliation impossible. Containment in the traditional sense was irrelevant. "These policies are now so detested that they have raised the potential threat to US interests to unprecedented levels. To retain its Middle East dominance it has to invest resources commensurate with the threat. It can no longer rely on friendly regimes, like Saudi Arabia, Jordan and Egypt, for they themselves will be undermined by their connivance with it, nor on the mere "containment" of enemies such as Saddam. So the Arab world now risks being "subjected to direct or indirect colonialism"."⁹⁵

These dilemmas led to the gradual adoption of a new security doctrine, which President Bush hinted at in his January 2002 state of union address. In it, he labeled Iraq, Iran and North Korea an "axis of evil" and said they would not be allowed to threaten the United

⁹⁵ David Hirst. "A new post 9/11 Middle East." Al ahram weekly Issue No 603. 12-18 September 2002. Online. Internet. 4 July 2005. Available: <http://weekly.ahram.org.eg/2002/603/sc51.htm>

States with weapons of mass destruction.⁹⁶ Then on the 1st of June, President Bush elaborated further in his speech to the graduates of West point. He explained why deterrence and containment can no longer work against the new kind of enemy: “Deterrence- the promise of massive retaliation against nations-means nothing against shadowy terrorist networks with no nation or citizens to defend. Containment is not possible when unbalanced dictators with weapons of mass destruction can deliver those weapons or missiles or secretly provide them to terrorist allies.”⁹⁷

The President then disclosed the most controversial part of his new U.S. security doctrine- the intention of the United States to undertake unilateral, preemptive military action: “The war on terror will not be won on the defensive. We must take the battle to the enemy, disrupt his plans, and confront the worst threats before they emerge. In the world we have entered, the only path to safety is the path of action. And this nation will act.”⁹⁸

An article issued by the academy of political science states that the Bush doctrine held

⁹⁶ Ivo H Daalder. and James M Lindsay. *America unbound: the Bush revolution in foreign policy.* Washington, D.C.: Brookings Institution Press, 2003. p 120-121.

⁹⁷ Ibid, p 121.

⁹⁸ “President Bush delivers Graduation speech at West point.” 2002. Online. Internet.25 December 2004. Available:
<http://www.whitehouse.gov/news/releases/2002/06/20020601-3.html>

that the United States would use military force against terrorists of global reach and against the states that harbor them; while it will also engage in a multilateral strategy of freezing assets and sharing intelligence in pursuit of the goal of a global freedom built in America's image.⁹⁹

The most remarkable reality about the U.S. response to the terrorist attacks of 9/11 is how little these attacks actually affected nuclear policy. Craig Eisenderth- a senior fellow at the center for international policy-states that on the 9th of march 2002, a secret pentagon report, the nuclear posture review, called for the use of a wide range of nuclear weapons against non-nuclear countries such as Iraq, Iran, north Korea and Libya. It also envisions the U.S. threatening nuclear retaliation in case of an Iraqi attack on Israel or its neighbors, or a north Korean attack on south Korea or a military confrontation over the status of Taiwan.¹⁰⁰

This report reflects the Bush administration's undermining of the arms control regime while opposing any international agreements which would restrict U.S. military options.

⁹⁹ Paul T McCartney. "American nationalism and U.S. foreign policy from September 11 to the Iraq war." Political Science Quarterly volume 119 Number 3 Fall 2004. Online. Internet. 26 December 2004. Available:

http://www.psqonline.org/cgi-bin/99_article.cgi?byear=2004&bmonth=fall&a=01free&format=view

¹⁰⁰ Craig Eisendrath. "U.S. foreign policy after September 11." *USA today Magazine* May 2002. Online. Internet. 24 November 2004. Available: http://www.findarticles.com/p/articles/mi_m1272/is_2684_130/ai_86062101/print

Another article by James Sterngold mentions the opinion of Charlene Barshefsky- the United States trade representative under President Bill Clinton- saying that there has been a clear militarization of U.S. foreign policy justified on the basis of the events of 9/11; but it appears that the Bush Administration accepted to use a variety of approaches to deal with North Korea and Iran because of the difficulties it had faced in Iraq. However, if negotiations and diplomacy did not give the expected results of having the two countries abandoning their nuclear weapons programs, then the Administration will be ready to take military action.¹⁰¹

As for the second term of Bush presidency, Ronald Bruce St. John expects no change in U.S. foreign policy. He states that President Bush portrayed a nation dedicated to the promotion of liberty around the world, offering a forceful vision of a democratic Middle East and linked the war on terrorism, the United States and the promotion of democracy.¹⁰² He adds that, in an address to the United Nations General Assembly, President Bush expressed his determination to destroy terror networks wherever they

¹⁰¹ James Sterngold. "After 9/11, U.S. policy built on world bases." *The San Francisco Chronicle* 21 March 2004. Online. Internet. 3 October 2004. Available:

<http://www.globalsecurity.org/org/news/2004/040321-world-bases.htm>

¹⁰² Ronald St. John Bruce. "Expect no change in second term foreign policy." *Foreign policy in focus* 29 September 2004. Online. Internet. 24 November 2004. Available:

<http://www.fpif.org/pdf/gac/0409nochange.pdf>

operate to end the states sponsorship of terror and nuclear proliferation. He expressed also his commitment to continue promoting democracy in Iraq and Afghanistan and argued that a reform on the part of the Palestinian authority is a precondition for a resolution of the Arab Israeli conflict.¹⁰³

Finally, the United States foreign policy after 9/11 reflects the aim for a change instead of sticking to the containment and deterrence policies used after the end of the cold war.

It is a policy that supports social change in the Middle East rather than maintaining to the status-quo of pro-U.S. regimes as in the past, as is the case with Saudi Arabia.

¹⁰³ Ronald St. John Bruce. "Expect no change in second term foreign policy." *Foreign policy in focus* 29 September 2004. Online. Internet. 24 November 2004. Available: <http://www.fpif.org/pdf/gac/0409nochange.pdf>

Chapter VI

The impact of U.S. foreign policy change on Saudi Arabia

A. Demand for internal changes in the Kingdom

Saudi Arabia, a country that used to follow a restrained and conservative approach when addressing internal affairs, has taken cautious steps to examine its drawbacks. This change in the Kingdom's outlook comes in the wake of the country coming under close scrutiny by the outside world and, more importantly, as a result of the increase of terrorist attacks on its soil.

Saudi Arabia was not exempt also from the influence of globalization. This is especially true following the 9/11 terrorist attacks when the country was accused by some of being a breeding ground for terrorism.

Intellectuals and professionals have been taking sharper and clearer steps towards addressing the single most discussed issue-reform. Saudi Arabia and its GCC partners are facing great pressures from the United States which is pushing for democracy in the Arab world while urging Arab states to fight terrorism, and all its sources of financing,

as well as to revise their educational systems.¹⁰⁴

Mohammed Fadhel mentions the statements of some analysts and researchers demanding from GCC states to make efforts to modernize their political lives and start serious measures on the road to building the right state, as well as applying economic reforms and fight corruption. The statements also pressed governments to restructure their constitutional and legal authorities, and to meet the aspirations of their people for democracy on the basis of respecting individual liberties, human rights and a separation of powers.¹⁰⁵

Until September 2001, criticism of the Saudi royal family was practically non-existent in the U.S. media and Saudi loyalty to U.S. was never questioned. However, after 9/11, the kingdom has been accused of being soft on terrorism and promoting anti-U.S. hatred via Saudi-supported Islamic schools across the region, which the author Larry Everest wrote in an article titled "U.S. and Saudi Arabia: troubles in a toxic relationship." Everest wrote about the Rand cooperation's pentagon briefing saying that it recommended that

¹⁰⁴ Mohammed Fadhel. "Gulf states must push through reforms to fight terror." *Middle East online* 4 December 2003. Online. Internet. 2 March 2004. Available: <http://www.middle-east-online.com/english/bahrain/?id=8022>

¹⁰⁵ Mohammed Fadhel. "Gulf states must push through reforms to fight terror." *Middle East online* 4 December 2003. Online. Internet. 2 March 2004. Available: <http://www.middle-east-online.com/english/bahrain/?id=8022>

the U.S. “demand that Saudi Arabia stops all anti-U.S., anti-Israel, and anti-western rhetoric in the region; dismantle and ban the kingdom’s Islamic charities and confiscate their assets; and prosecute those involved in terrorism.”¹⁰⁶ The briefing warned that if Saudi Arabia doesn’t comply, the U.S. should target Saudi oil fields, Saudi assets in U.S. and holy places in Saudi Arabia.

Khaled Dawoud- the regional editor for Al-Ahram Weekly-reported in the year 2003 that a Saudi Arabian accountability act was introduced in Congress which allows the Bush administration to increase pressure on the ruling family in the Kingdom. He states that the bill “entails imposing military and diplomatic sanctions on Saudi Arabia for allegedly failing to halt Saudi support for institutions that fund, train, incite, encourage or in any other way aid and abate terrorism.”¹⁰⁷ Dawoud mentions the emphasis of President Bush in his speeches on the need for major democratic, economic and educational reforms in the Arab and Muslim world, which are needed to eradicate the root of terrorism in the Middle East. He states that the U.S. may refrain from harshly criticizing Saudi Arabia

¹⁰⁶ Larry Everest. “U.S. and Saudi Arabia: Troubles in a toxic relationship.” *Revolutionary Worker* # 1174 10 November 2002. Online. Internet. 21 June 2004. Available: <http://rwor.org/a/v24/1171-1180/1174/saudi.htm>

¹⁰⁷ Khaled Dawoud. “Squeezing Saudi Arabia.” *Al-Ahram Weekly* 18-24 December 2003. Online. Internet. 28 January 2005. Available: <http://weekly.ahram.org.eg/print/2003/669/re4.htm>

because 14% of U.S. oil imports comes from the Kingdom, while at the same time using the Saudi accountability act to exert pressure on Riyadh by claiming it as a measure to appease congress and the American public.¹⁰⁸

Another article by Tanya C. Hsu-Senior political analyst- states that the U.S. intentions towards Saudi Arabia have not been friendly for the past 30 years.Hsu writes:

“Declassified documents reveal that there has been a constant drumbeat to invade Saudi Arabia that has sounded behind the closed doors of our government. The Pentagon, for three decades, has formulated and updated secret plans to seize Saudi oil wells and rid the Kingdom of the ruling House of Saud.This is not only a neo-conservative cabal. Time and again plans have been made for an invasion of Saudi Arabia for a larger purpose: U.S. control of the global oil supply thereby dominating global economic markets. The most recent wave of charges that Saudi Arabia supports, condones, and aids terrorism signify a secondary and more public attempt to gain support to finally execute a thirty year old plan to occupy Saudi Arabia. Other regional players’ objectives (securing oil

¹⁰⁸ Khaled Dawoud. “Squeezing Saudi Arabia.” *Al-Ahram Weekly* 18-24 December 2003. Online. Internet. 28 January 2005. Available: <http://weekly.ahram.org.eg/print/2003/669/re4.htm>

supplies, its rationale of a war on terror) may add synergy and an unstoppable impetus for an American invasion.”¹⁰⁹

Hsu’s argument conforms to that of Jeff Gerth—a reporter—who writes that U.S. fails to curb its oil dependence on Saudi Arabia. He says that the Bush administration’s strategic options are limited by American dependence on Saudi oil.¹¹⁰ However, Gerth mentions that U.S. is trying to decrease its dependence on Saudi Arabia for oil by maintaining that the Bush administration’s national energy policy report called for greater diversity of world oil production to avoid possible instability due to the concentration of world oil production in any one region of the world. He adds that Bush’s national security strategy proposed to enhance energy security by working with allies to expand the sources and types of global energy supplied especially in the Western Hemisphere, Africa, Central Asia and the Caspian region.¹¹¹ In fact, some articles assert Gerth’s argument about U.S. trying to decrease its dependence on Saudi oil, by relating the war on Iraq with U.S. aim

¹⁰⁹ Tanya C Hsu. “Micheal Moore and Richard Perle combine forces: Who really wants to invade Saudi Arabia, and why?” *Institute for research: Middle East policy* 4 July 2004. Online. Internet. 6 December 2004. Available:

<http://www.irmep.org/essays/ksa.htm>

¹¹⁰ Jeff Gerth. “U.S. Fails to Curb Its Saudi Oil Habit, Experts Say.” *New York Times* 26 November 2002. Online. Internet. 7 June 2004. Available:

<http://www.gaspig.com/oilhabit.htm>

¹¹¹ Jeff Gerth. “U.S. Fails to Curb Its Saudi Oil Habit, Experts Say.” *New York Times* 26 November 2002. Online. Internet. 7 June 2004. Available:

<http://www.gaspig.com/oilhabit.htm>

to control the Iraqi oil reserves which are the largest after Saudi Arabia. "The importance of Iraqi's oil has made it potentially one of the administration's biggest bargaining chips in negotiations to win backing from the UN Security Council and Western allies for President Bush's call for tough international action against Hussein."¹¹²

An additional article written by Cordesman asserts that Americans can only win by helping governments and societies in the region modernize, diversify and globalize their economies and by recognizing the social strains that drive minorities to client Islamic extremism as well as understanding that demographic pressures and poverty cannot be dealt with by simply calling for undefined democratization. Cordesman believes also that the Middle East faces internal challenges that will take a decade if not decades to address.¹¹³

One of the impacts of U.S. policy on Saudi Arabia is that it benefited from the higher oil prices as well as its ability to increase production and exports sharply and rapidly due to the country's large spare production capacity after the U.S. war against Iraq.

¹¹² Dan Morgan and David B Ottaway. "In Iraqi war scenario, oil is key issue." *Washington Post* 15 September 2002. Online. Internet. 4 February 2005. Available: <http://www.washingtonpost.com/ac2/wp-dyn/A18841-2002Sep14?language=printer>

¹¹³ Anthony Cordesman. "Saudi Arabia and the challenge of terrorism: Reacting to the 9/11 report." *Center for strategic and international studies* 1 August 2003. Online. Internet. 19 February 2004. Available: http://www.csis.org/burke/saudi21/saudi_challenge.pdf

However, the EIA estimates that Saudi Arabia will still maintain the highest share of OPEC oil export revenues- although it will drop from 34% of the OPEC total in 2003 to 29% in 2005, as Iraq's share grows from 4% to 10%.¹¹⁴

Among one of the most recent pressures on Saudi Arabia for reform was that of the 3rd of February 2005 when President Bush publicly prodded the Kingdom and Egypt to move more quickly to embrace democracy by saying that "The government of Saudi Arabia can demonstrate its leadership in the region by expanding the role of its people in determining their future."¹¹⁵ He added that U.S. will support democratic movements in the Middle East and beyond.

B. Difficulties and challenges facing changes

Washington has been insisting publicly and privately for the past 2 years that the Saudi autocrats take steps to liberalize and democratize their political system. Before the 9/11 attacks, Saudi rulers were convinced that al-Qaeda's main fight was with the United States. Even though the presence of U.S. forces was a major source of anger for al Qaeda,

¹¹⁴ Anthony Cordesman. "The prospects for stability in Saudi Arabia in 2004." *Center for strategic and international studies* 19 February 2003. Online. Internet. 19 February 2004. Available: http://www.csis.org/burke/saudi21/040219_prospectsfor_stability.pdf

¹¹⁵ "Bush prods Saudi Arabia, Egypt on Democracy." *Washington post* 3 February 2005. Online. Internet. 4 February 2005. Available: <http://www.washingtonpost.com/ac2/wp-dyn/A59342-2005Feb3?language=printer>

Riyadh hoped that with the withdrawal of U.S. troops from Saudi soil, things would simmer down measurably. This is not what happened. Even after American troops departed, the Saudi government remained the target of al-Qaeda's sarcastic speeches. It took two rounds of terrorist attacks inside Saudi Arabia-one in October and the more recent attack during the Muslim holy month of Ramadan-to convince the Saudi rulers that al-Qaeda's real objective is to bring about regime change. However, this does not conform to what Kenneth Pollack states in his article "Securing the Gulf". Pollack- Director of Research at the Saban Center for Middle East Policy at the Brookings Institution- writes that "the best way for the United States to address the rise of terrorism and the threat of internal instability in Saudi Arabia and the other Gulf Cooperation Council (GCC) states would be to reduce its military presence in the region to the absolute minimum, or even to withdraw entirely. The presence of American troops fuels the terrorists' propaganda claims that the United States seeks to prop up the hated local tyrants and control the Middle East."¹¹⁶ No matter how true this statement is, al-Qaeda is unlikely to be completely appeased by the withdrawal of U.S. troops from Saudi Arabia

¹¹⁶ Kenneth M Pollack. "Securing the Gulf" *Council on foreign relations* July-August 2003. Online. Internet. 25 December 2004. Available: <http://www.foreignaffairs.org/20030701faessay15401/kenneth-m-pollack/securing-the-gulf.html>

because its main target is regime change in the Kingdom.

Another point of view is that of Gregory Dowling-an analyst on the Middle East- who believes that the objectives of the kingdom and those of al-Qaeda differ dramatically: The Kingdom has demonstrated commitment to stability and order in the international order while al-Qaeda has not. However, he continues, the local political challenges to the political order are not directed against the political structure and the House of Saud's dominance but concern two areas: the equitable distribution of social benefits through the government, and the government's association with U.S. foreign policy goals that are seen as unjust.¹¹⁷

The puzzle now facing Saudi government leaders is how much democracy, political pluralism and liberalization they can introduce without violating the main principles of the Sunni or orthodoxy they were sworn to uphold. In terms of needed reforms, Saudi Arabia faces the challenges of addressing three very profound types of changes. The first is related to reforming the Wahhabi statement of belief that has banished any group inside the country that doesn't subscribe to its religious frame of reference. That includes even

¹¹⁷ Gregory J.H Dowling. "In the eye of yet another storm: U.S-Saudi relations and the Iraqi campaign." Saudi-American Forum 10 May 2003. Online. Internet.25 December 2004. Available: http://www.saudi-american-forum.org/Newsletters/SAF_Essay_14.pdf

liberal and moderate Sunnis, but especially the Shiites of the country. Reforming the Wahhabi ideology is perhaps the greatest challenge because it goes to the very foundation of the existence of the Saudi autocracy. Second, the Saudi regime is in need of promoting political pluralism and enhancing transparency in its decision- making process. Giving the right to vote for all citizens, especially women is rapidly becoming a necessity. The third but unlikely change is reform of the Saudi royal family, but the chief obstacle to that is the family itself, whose members' number is great. Gregory Gause-a political science professor- believes that reform poses a great challenge because of the difference between the liberal camp and the Islamist camp in their ideas of reform. He states that "for Islamists, reform means resisting outside pressures for any change in Saudi Arabia- the educational system, the role of women,etc- and relying more openly on the religious establishment and the country's religious traditions. Some Islamists like the idea of elections very much; because they are confident that they will win. Some liberals do not like the idea of elections for the same reason. So reform could actually lead to an increase in the influence of those who advocate more traditionalist positions or controversial

issues like women's rights and education."¹¹⁸ He adds that when reform comes, it will not be exclusively in a liberal or Islamist direction. The leadership will seek a balance among its domestic constituencies, foreign pressures and its own notions of what needs to be done.

Gwenn Okruhlik-professor of political science-mentions the need of Saudi Arabians for freedom of expression and participation in the development of their countries particularly in meeting the needs of education, health and employment. He believes that the challenge before Crown Prince Abdullah is to promote domestic reform that conforms to the diversity of the population.¹¹⁹

The debate over the need for reform is described by Saudi royal family members as a result of foreign and domestic pressures following the 9/11 attacks on U.S. and because they threaten the royal family and its dominion over the Arabian Peninsula with its reserves. However, the Saudi royal family doesn't want to appear as if it is being pressured into reform. To be seen acting under U.S. authority might undermine the

¹¹⁸ Gregory Gause III. "Saudi Arabia at a Crossroads?" *Center for contemporary conflict strategic insights volume 3 issue 2* February 2004. Online. Internet. 25 December 2004. Available: <http://www.ccc.nps.navy.mil/si/2004/feb/gauseFeb04.asp>

¹¹⁹ Gwenn Okruhlik. "Networks of Dissent: Islamism and reform in Saudi Arabia." Social science research council. Online. Internet. 2 March 2004. Available: <http://www.ssrc.org/sep11/essays/okruhlik.htm>

monarchy's credibility before a population that is increasingly young, unemployed and anti-American.¹²⁰ Reform in the kingdom covers three categories-economic, political and social. Economically speaking, the Saudis have to create job opportunities for the growing numbers of Saudi youths, among whom unemployment is becoming a serious problem. Saudi economic reformers would welcome American input on opening up their economy, attracting both foreign and more importantly, the billions of dollars the Saudis keep abroad. Politically, the Saudi leadership needs to develop new avenues for political participation in their society. This includes expanding the role of an opening the selection process for their appointed consultative council. Moreover, it is the religious establishment that has the organizational means to mount a countrywide political campaign. Their sympathizers have greater access to the Saudi media and to money. So, without changes in Saudi Arabia allowing other social groups greater opportunities for political organization and access to the media, elections will not produce the kinds of changes that American critics of Saudi Arabia like to see.

Early elections in Saudi Arabia would likely produce representative assemblies that

¹²⁰ Patrick E Tyler. "Saudis looking past a war to U.S. pullout and reform." Global policy forum 9 February 2003. Online. Internet. 25 December 2004. Available: <http://www.globalpolicy.org/security/issues/iraq/attack/consequences/2003/0209pullout.htm>

would push the regime to anti-liberal directions. "The only organized social forces in the country with the popular following potentially to challenge the regime are religious dissidents and the official religious establishment...As such, it would hardly be in the American interest to encourage the downfall of the Al-Sa'ud, if the only group in a position to replace them would then be even more committed to that ideology."¹²¹

U.S. pressures for political reform can be deeply counter productive because it arouses Saudi anger and allows Saudi extremists to charge that reform comes along as a concession to the U.S. and not because of an internal need for change. Social reform is also very difficult because U.S. and the kingdom have different cultures. "The Saudi society is diverse. Its citizens are nomads and urbanites, modernists and ultra conservatives, democrats and monarchs. Responses to the particular economic and social needs of the tribal people, for example, may conflict with other needs that are peculiar to the sedentary classes and place additional burdens on the governing class in ways that do not exist in the Western countries where the different classes are more cohesive."¹²²

¹²¹ Gregory Gause III. "The approaching turning point: The future of U.S. relations with the Gulf states." Brookings project on U.S. policy towards the Islamic world analysis paper # 2, May 2003. Online. Internet. 1 October 2004. Available:

<http://www.pbs.org/wgbh/pages/frontline/shows/terrorism/saudi/whyus.html>

¹²² John S Habib. *Saudi Arabia and the American national interest: An interpretive study of a special relationship*. USA: Universal Publishers, 2003, p.9.

Habib states that some Saudi people are concerned about the erosion of traditional Saudi culture from the adoption of Western policies. Thus, this might create social problems and cultural imbalances. Hence, any regime that would govern the kingdom must make a balance to avoid such problems. Moreover, the Saudi leadership has the responsibility of determining where change may best be introduced with the maximum possible impact, its urgency and the capacity of the different classes to absorb it. It must do this by understanding that some elements of Saudi society are ready for more rapid and fundamental changes due to their level of education and contact with foreign cultures than others.¹²³ It is worth mentioning also the dangers of radical change in the kingdom as pictured by Habib. "Radical change that destabilizes the Kingdom could tempt neighboring countries to repeat past attempts to expand their borders at the kingdom's expense and strengthen their regional political and military positions. Major dislocations in oil production, oil prices and financial investments would be followed by disruptions in international financial markets. The stewardship of Mecca and Medina, the holiest shrines of Islam, would be a major bone of contention in an increasingly fractionalized

¹²³ John S Habib. *Saudi Arabia and the American national interest: An interpretive study of a special relationship*. USA: Universal Publishers, 2003, p. 9-10-11.

Islamic world.”¹²⁴ However, the Saudi regime can survive as long as it continues to meet the needs of its people, just as western democracies have done.¹²⁵ Moreover, many individuals that have long experience with Saudi Arabia see no immediate internal factors pointing to a collapse, but do recognize that outside factors, such as the Israeli-Palestinian conflict and U.S. military action against Iraq can affect its ability to retain power.¹²⁶

The oil factor also poses a great challenge to Saudi Arabia. Among the results of 9/11 is the call of U.S. to cut its dependence on Saudi petroleum. Despite that the kingdom loses 1 to 2 dollars per barrel by exporting oil to U.S. instead of Asia, it keeps on exporting large quantities to U.S. because it is interested in preserving for itself a huge percentage of oil exports in the U.S. market. Moreover, being a large producer, Saudi Arabia would benefit if petroleum remains the primary source of energy for the longest possible period of time without a shortage in supply and price changes because this will relieve consumers and prevent them from shifting to alternative energy resources when

¹²⁴ Habib, John S. *Saudi Arabia and the American national interest: An interpretive study of a special relationship*. USA: Universal Publishers, 2003, p.12.

¹²⁵ *Ibid*, p.236.

¹²⁶ *Ibid*, p.210.

available.¹²⁷

Saudi Arabian foreign policy has been guided by the desire of regime continuity. Saudi Arabia has remained rational in foreign relations and has not used Islam as a criterion for them, as Iran has. Even while the Saudis adopted a policy of exporting Wahhabism to the rest of the world to protect Wahhabism at home[they tried to protect their Islam - the Wahhabi Islam that is very narrow, intolerant and literalist interpretation of Islamic sources¹²⁸ - from the influence of Islamic revivalism taking place in other parts of the Muslim World, especially Egypt], they have continued to maintain good relations with rich Americans by becoming its most important ally in moderating OPEC and maintaining the stability of oil supplies and prices.¹²⁹

However, policies that seem beneficial for the Saudis at one level can present problems at other levels. Their alliance with U.S., as an example, has been of great benefit militarily and economically, but has also exposed them to regional attack and domestic criticism. It

¹²⁷ Walid Khadoury. "Why does Saudi Arabia lose a dollar to two for every barrel of oil it exports to U.S.?" *An-Nahar* 14 February 2005:18.

¹²⁸ Muqtadar, Khan. "The Empire and the Kingdom: U.S.-Saudi Relations in Crisis — Again." *The globalist* .1 August 2003. Online. Internet. 17 August 2005. Available: <http://www.theglobalist.com/dbweb/StoryId.aspx?StoryId=3354>

¹²⁹ Muqtadar, Khan. "The Empire and the Kingdom: U.S.-Saudi Relations in Crisis — Again." *The globalist* .1 August 2003. Online. Internet. 17 August 2005. Available: <http://www.theglobalist.com/dbweb/StoryId.aspx?StoryId=3354>

is the management of these contradictions that gives Saudi foreign policy its cautious character as the Saudi leadership seeks to reconcile competing pressures.¹³⁰ Gause states that, after the 9/11 events, the Saudis were caught between domestic pressures and U.S. demands to support the war on terrorism and were perceived in Washington to equivocate.¹³¹

According to Cordesman, problems facing U.S. and Saudi Arabia include the fact that Saudi Arabia might consider movements like Hamas and Hezbollah as liberators and not terrorist. Also, whatever they say in public there will be inevitably limited to their cooperation which will lead to Israeli and pro-Israeli demands for Saudi action in dealing with such groups that Saudi Arabia will not comply with, triggering more political and media attacks against the Kingdom.¹³² Moreover, the fall of Saddam's regime, and the rise of active terrorism within Saudi Arabia are both key factors that illustrate the need to recast Saudi security in the broadest sense. The kingdom's spending on defense as Cordesman notes, is estimated by IISS to be some \$ 18 to \$ 24 billion which is too high

¹³⁰ Gregory, Gause III. "The foreign policy of Saudi Arabia," in Raymond A. Hinnebusch and Anoushiravan Ehteshami, eds. *The Foreign policies of Middle East states* (Boulder, Colo. : Lynne Rienner Publishers, 2002), p.193.

¹³¹ Ibid, p.208.

¹³² Anthony Cordesman. "The prospects for stability in Saudi Arabia in 2004." *Center for strategic and international studies* 19 February 2003. Online. Internet. 19 February 2004. Available: http://www.csis.org/burke/saudi21/040219_prospectforstability.pdf

indicating that Saudi efforts cost so much that they are a serious threats to Saudi society.¹³³

C. U.S. media and U.S-Saudi relations

Despite repeated proclamations of the Bush administration that the strategic and traditional ties between U.S. and Saudi Arabia remain as stable and strong as ever, U.S. security departments have arrested several Saudis living in the United States and frozen their bank accounts after 9/11. At the same time, the U.S. media launched an unprecedented campaign against Saudi Arabia. As a result, Saudis living in America complained about unfair treatment in public places and many of them chose to leave. U.S. media pictured the kingdom as a failed state, whose foreign policy is that of a rogue, and acts against the interests of America and of international order. It portrayed Saudi Arabia's relation with U.S. as being hypocrite: enjoying U.S. military support in the region while secretly conspiring with U.S.' terrorist enemies. Despite that the Saudi government moved rapidly to assist the United States after 9/11, the U.S. media and

¹³³ Anthony Cordesman. "The prospects for stability in Saudi Arabia in 2004." *Center for strategic and international studies* 19 February 2003. Online. Internet. 19 February 2004. Available: http://www.csis.org/burke/saudi21/040219_prospectforstability.pdf

senior American officials did not inform the American public about this unilateral, friendly gesture. Instead, they continued to identify Saudi nationals and thereby the kingdom with 9/11 terrorist attacks.¹³⁴ Moreover, there are disturbing indications both in the media and American statements that the U.S. considers Islam the enemy of the hour as Habib mentions. "One of the most transparent, guilt by association techniques that CNN and Fox News utilized to denigrate Islam and incite anti-Arab-anti-Islamic sentiment, was to introduce news items or special programs on terrorism, with the Islamic call prayer, panning to an undulating wave of Muslim bodies prostrating towards Mecca, and then panning directly to the terrorist attack. This technique was used too often to be coincidental."¹³⁵ Hence, the American media has seriously damaged the U.S-Saudi relationship.

U.S-Saudi relationship changed dramatically after 9/11. The United States hold the Saudis responsible for permitting, for years and years, a group of extremely fundamentalist radical preachers take hold of their educational system and to produce, in the process, people who became very vulnerable to launch terrorist attacks. Habib states that Saudi

¹³⁴ John S Habib. *Saudi Arabia and the American national interest: An interpretive study of a special relationship*. USA: Universal Publishers, 2003, p.255.

¹³⁵ *Ibid.* p.275.

Arabia has been criticized so many times after 9/11 because almost all of the alleged perpetrators were Saudi citizens and Muslims while the kingdom is the cradle of Islam.¹³⁶ He believes that the threats to the special relationship between the two countries are confrontational. They include: 1) the hostility of U.S. Congress toward Saudi Arabia; 2) Islamic fundamentalism associated with Saudi Arabia; 3) Terrorism associated with Islam and Saudi Arabia; 4) the anti-Saudi and anti-Islam bias of the American media; 5) Saudi and the Palestinian-Israeli conflict; 6) Saudi Arabia's attitude towards a new war with Iraq.¹³⁷ Moreover, before 9/11 and until a few years ago, Wahhabism never created problems in American Saudi relations. However, America now considers that Wahhabi Islam constitutes a threat to U.S. interests after 60 years of strong friendship and political as well as economic cooperation. Officials in the U.S. create the impression that Islam is viewed as part of the global terrorist threat and that its Wahhabi form with which the kingdom is associated, is menacing. This gives to Saudis the impression that America is trying to impose political hegemony rather than protect its legitimate interests in the

¹³⁶ John S Habib. *Saudi Arabia and the American national interest: An interpretive study of a special relationship*. USA: Universal Publishers, 2003 p.251.

¹³⁷ Ibid, p.250.

Middle East. An example of this is American support for expansionist Zionism.¹³⁸

An additional factor that had contributed to further damage to the relationship is the change in U.S. visa policy and entry procedures, which essentially dried up the arrival of students in the U.S. from Saudi Arabia and Muslim worlds: "The level of popular tension between the U.S. and Saudi Arabia has reached the point where it actively encourages Saudi hostility to the United States in ways to aid extremists and terrorists. This has been compounded by a failure to create immigration and visa procedures that combine protection against terrorists with rapid and effective procedures for encouraging legitimate cultural, business, medical and student entrants to the U.S. The U.S. badly needs to reshape its focus on counter terrorism to strengthen the ties between the U.S. and Al Sa'ud and Arab moderates throughout the world, and ensure that students continue to be educated in the U.S. and that the U.S. preserves its ties to the most progressive and moderate forces in countries like Saudi Arabia and to ensure that legitimate medical cases are screened and expedited on a humanitarian basis."¹³⁹

¹³⁸ John S Habib. *Saudi Arabia and the American national interest: An interpretive study of a special relationship*. USA: Universal Publishers, 2003 p.258.

¹³⁹ Anthony Cordesman. "The prospects for stability in Saudi Arabia in 2004." *Center for strategic and international studies* 19 February 2003. Online. Internet. 19 February 2004. Available: http://www.csis.org/burke/saudi21/040219_prospectsfor stability.pdf

Finally, Gregory Gause III mentions that what has changed most dramatically since the attacks of 9/11 has been the attitude in the American right wing toward the Kingdom.

Both neo conservatives and the religious right had previously accepted the close American relationship with Saudi Arabia on strategic grounds, even while opposing many aspects of Saudi politics and society. They have become vocal critics of the relationship after 9/11. Gause believes that an American presence in the kingdom is no longer sustainable in the political system of either the U.S. or Saudi Arabia stating that America should therefore rely on the smaller gulf monarchies to provide the infrastructure for its military presence in the region. Also, this will lead to a more normal and somewhat distant cooperative relationship between the two countries.¹⁴⁰

Finally, a very essential point concerning U.S.-Saudi relations is mentioned by Amir Taheri- an Iranian author and journalist-who states that the U.S. has pressed the brakes a bit to delay the Kingdom's admission into the world trade organization. Also, Saudi Arabia is no longer routinely consulted on American policy toward the Muslim world.¹⁴¹

¹⁴⁰ Gregory Gause III. "The approaching turning point: The future of U.S. relations with the Gulf states." *Brookings project on U.S. policy towards the Islamic world analysis paper # 2*, May 2003. Online. Internet. 1 October 2004. Available:
<http://www.pbs.org/wgbh/pages/frontline/shows/terrorism/saudi/whyus.html>

¹⁴¹ Amir Taheri. "Saudi-U.S. relations under spotlight." *Al Jazeera info*. 17 Aug 2002. Online. Internet. 5 June 2005. Available:
<http://www.aljazeera.info/>

Chapter VII

Saudi response to change in U.S. foreign policy

Introspection arising from the 9/11 events and existing critiques of corruption among the royal family, the concerns over unemployment and anticipated future declines in oil prices, changes made to the governing system in the 1990's, along with Islamist challenges (Riyadh bombs 12 May 2003), combined to produce a veritable Saudi obsession with reform in 2003. Hence, economic political social and military transitions took place in the Kingdom.

A. Economic reform

For the last few years, Saudi Arabia has been implementing an economic reform program. It includes a wide range of issues such as institutional and structural changes, privatization, the gas initiative and efforts to join the World Trade Organization.

The gas initiative aims at allowing leading international oil companies to have a direct access to the country's vast gas reserves.¹⁴² This supports economic liberalization and

¹⁴² Peter J Cooper. "Saudi economy outlook brighter, but reform slows down." *AME Info* 1 Aug. 2002. Online. Internet. 5 Aug. 2004. Available: <http://www.ameinfo.com/news/Detailed/16590.html>

attracts further foreign direct investments.

As for privatization, it “targets 20 commercial activities, including public utilities (Electricity, water, desalination). Education, healthcare, municipal construction, postal services, aviation, airports, seaports as well as the government’s large stakes in State Owned Enterprise (SOE’s), hotels, banks- notably Riyadh bank and National Commercial Bank (NCB), through quasi governmental entities, the Public Investment Fund (PIF) and the General Organization for Social Insurance (GOSI).”¹⁴³ Moin Siddiqi points out that privatization has a lot of benefits among which is the fact that revenues can be used to redeem public debt and attract private investment from both domestic and external sources, in addition to many others.¹⁴⁴

A report that is issued by the Royal Embassy of Saudi Arabia in Washington states that the Kingdom and the European Union signed a bilateral agreement on August 31, 2003 guaranteeing free access to goods and services.¹⁴⁵ The Kingdom’s target is to join the

¹⁴³ Moin Siddiqi. “Saudi Arabia: Reaping the rewards of market liberalization.” *The Middle East magazine* July 2004:54.

¹⁴⁴ Moin Siddiqi. “Saudi Arabia: Reaping the rewards of market liberalization.” *The Middle East magazine* July 2004:54.

¹⁴⁵ “Political and economic reform in the Kingdom of Saudi Arabia.” *Royal Embassy of Saudi Arabia* December 2003. Online. Internet. 30 July 2004. Available:
<http://www.saudiembassy.net/ReportLink/Reform%20Dec%202003.pdf>

World Trade Organization (WTO) and move closer to a trade agreement with the United States. The report states also that Saudi Arabia has already signed bilateral agreements with some members of the WTO including Japan, Brazil, Canada, Argentina and Australia.

Another economic reform step stated in the report is the capital market law passed by the council of ministers on June 16, 2003. This law contributes to restructuring the Kingdom's capital market and broaden its bases as well as attracting investments.

Moreover, diversification is one of the aims of the economic reform in Saudi Arabia. The Kingdom depends on oil mainly for its revenues. However, it is doing some efforts to decrease its dependence on oil revenues by encouraging other sectors of the economy such as mining, construction materials, stock exchange, tourism, technology, health and others.

Among reform actions implemented by Saudi Arabia is that it signed with U.S. an agreement to strengthen commercial and investment relations. As a result, the U.S-Saudi council for trade and investment was established to meet at least once a year to enable

representatives of both countries to review the signing of additional agreements on trade, protection of intellectual property rights, investment, vocational training and environmental issues.¹⁴⁶ In addition, on August 31 2003, Saudi Arabia and the European Union signed bilateral agreement guaranteeing free access to goods and services. In the accession process, the kingdom is negotiating bilateral agreements with current WTO members while adopting the organization's various trade rules.¹⁴⁷

Joseph Kechichian-an author- writes that the Saudi population is currently projected to reach 25.8 million in 2005 and over 30 million in 2010 (a growth of 3.3% per year over the next few years) which will add pressures on Riyadh.¹⁴⁸ He continues by saying that the Saudi GDP rose to \$700 billion riyals with per capita income hovering around \$9000. Thus, oil income alone would not offset a steady drop in per capita income, as Riyadh encourages rapid diversification and prepares for the day when many subsidies, a

¹⁴⁶ Anthony Cordesman. "The prospects for stability in Saudi Arabia in 2004." *Center for strategic and international studies* 19 February 2003. Online. Internet. 19 February 2004. Available: http://www.csis.org/burke/saudi21/040219_prospectsfor stability.pdf

¹⁴⁷ Anthony Cordesman. "The prospects for stability in Saudi Arabia in 2004." *Center for strategic and international studies* 19 February 2003. Online. Internet. 19 February 2004. Available: http://www.csis.org/burke/saudi21/040219_prospectsfor stability.pdf

¹⁴⁸ Joseph A, Kechichian. "Testing the Saudi will to power: challenges confronting Prince Abdallah." *Middle east policy*, Vol. X, No.4, Winter 2003. Online. Internet. 9 June 2005. Available: http://www.findarticles.com/p/articles/mi_go1651/is_200312/ai_n6611611

significant drain on its unbalanced budgets, are permanently removed.¹⁴⁹

To some extent, these changes explained why Prince Abdullah continued his efforts to seek major reforms in the Saudi economy, to reduce dependence on foreign labor, encourage private domestic and foreign investment, and open up the nation's economy to help make it globally competitive as well as qualify for membership in the WTO.

B. Political and Social reform

As for political and social reforms, the convention for national dialogue, called by the Prince Abdullah Bin Abdul Aziz, urged widening of political participation, more judicial independence and fair distribution of wealth. Other discussed issues include religious extremism, diversity of opinion, rights and duties of women and their role in society in addition to freedom of expression.

Moreover, Saudi intellectuals are demanding the separation of powers, an elected legislature with an effective supervisory role and the establishment of institutions of civil society to spread the idea of tolerance and dialogue in face of violence.

A report written by Abdul Wahab Bashir states that the Saudi king's annual policy

¹⁴⁹ Joseph A, Kechichian. "Testing the Saudi will to power: challenges confronting Prince Abdallah." Middle east policy, Vol. X, No.4, Winter 2003. Online. Internet. 9 June 2005. Available: http://www.findarticles.com/p/articles/mi_go1651/is_200312/ai_n6611611

address included some of the steps that have been decided for reform. They include the increase spending by the government on education, health and social services as well as providing high quality services. The speech also highlighted the role of women in their participation in the country's development process by providing more jobs and planning a more active role in public affairs.¹⁵⁰

In May 2003, Foreign minister Saud Al Faisal announced King Fahd's approval for the establishment of an independent human rights organization in Saudi Arabia. At the same time, King Fahd pledged to increase resources for education and training to improve the overall educational system in the country. This includes the update and modernization of textbooks and curricula and the introduction of English classes in intermediate and secondary schools. Saudi Arabia also opened to foreign investment for higher private education.¹⁵¹ Moreover, on June 9 2003, the council of ministers endorsed the copyright law, a 28 article document that meets the requirements of the WTO's agreement on Trade Related aspects of Intellectual Property rights (TRIPS), placing Saudi Arabia closer to

¹⁵⁰ Bashir, Abdul Wahab. "Reforms to suit Saudi needs." *Arab news* 21 June 2004. Online. Internet. 5 Aug. 2004. Available:

<http://www.arabnews.com/?page=1§ion=0&article=47135&d=21&m=6&y=2004>

¹⁵¹ Anthony Cordesman. "The prospects for stability in Saudi Arabia in 2004." *Center for strategic and international studies* 19 February 2003. Online. Internet. 19 February 2004. Available: http://www.csis.org/burke/saudi21/040219_prospectsfor stability.pdf

entry in the WTO.¹⁵² While in October 2003, the kingdom held human rights conference entitled “human rights in peace and war”. The conference concluded with the issuance of the Riyadh declaration which states that respect for human life and dignity is the foundation of human rights; that a human being deserves respect regardless of race, color or sex; that violation of human rights is a crime deserving severe punishment. At the same time, Saudi Arabia approved on plans of introducing elections for half of the members of each municipal council to ensure that citizens have a strong voice in local affairs. As Cordesman notes: “The proposed elections mark an important step in the kingdom’s ongoing reform agenda and follows King Fahd’s address to the consultative council on May 17 where he said: “I would like to confirm that we will continue on the path of political and economic reform, we will work to improve our system of government and the performance of the public sector and broaden popular participation in the political process”.”¹⁵³

¹⁵² Anthony Cordesman. “The prospects for stability in Saudi Arabia in 2004.” *Center for strategic and international studies* 19 February 2003. Online. Internet. 19 February 2004. Available: http://www.csis.org/burke/saudi21/040219_prospectsforsstability.pdf

¹⁵³ Anthony Cordesman. “The prospects for stability in Saudi Arabia in 2004.” *Center for strategic and international studies* 19 February 2003. Online. Internet. 19 February 2004. Available: http://www.csis.org/burke/saudi21/040219_prospectsforsstability.pdf

Another important transition was the enlargement of the Majlis al-Shura to 120 members at the end of May 2001, as Joseph Kechichian mentions.¹⁵⁴ He explains that the observers of the Kingdom's political scene perceived the expanded council as a way for technocrats to enter government service rather than act as real parliamentarians. He continues by mentioning Talal Bin Abd El Aziz point of view about the necessity of reform to overcome whatever political problems the Saudi society might face including terrorism, to ensure Al Saud rule. Talal criticized the religious police and he called on the government to rein in the committee for the promotion of virtue and prevention of vice, known as the Mutawwain or enforcers, a semi-independent institution created and supervised by the ruling family. According to this logic, the enforcers would no longer have free license to arrest at will but would be accountable to the police.¹⁵⁵

Among reform steps taking place in Saudi Arabia are those mentioned in the report of Sherifa Zuhur titled: "Saudi Arabia: Islamic threat, political reform, and the global war

¹⁵⁴ Joseph A, Kechichian. "Testing the Saudi will to power: challenges confronting Prince Abdallah." Middle east policy, Vol. X, No.4, Winter 2003. Online. Internet. 9 June 2005. Available: http://www.findarticles.com/p/articles/mi_go1651/is_200312/ai_n6611611

¹⁵⁵ Joseph A, Kechichian. "Testing the Saudi will to power: challenges confronting Prince Abdallah." Middle east policy, Vol. X, No.4, Winter 2003. Online. Internet. 9 June 2005. Available: http://www.findarticles.com/p/articles/mi_go1651/is_200312/ai_n6611611

on terror.”¹⁵⁶ Following are few of them:

- Januray 2003: Liberal reformers sent their “Strategic Vision for the Present and the Future” to Crown Prince `Abdullah, a detailed proposal that calls for the building of constitutional institutions under the framework of the existing monarchy: separation of powers, an elected representative consultative council, independence for the judiciary, human rights, and permission to form associations, as well as an agenda for economic reforms.
- In April 2003, a group of Saudi Shi`a also presented a petition to Crown Prince Abdullah that stressed tolerance, an end to discrimination, the need for human rights and freedom, and equality of the citizenry. All of this seemed hopeful, but in the wake of the May 2003 attacks, the liberals attacked Wahhabi ideas that fund salafism in a public fashion via *al-Watan*.
- In January 2004, Lubna al-Olayan, a leading Saudi businesswoman, addressed an economic forum without being completely covered by the abaya, or a headscarf. Saudi newspapers published pictures of her and other “unveiled” women. Lubna al-Olayan was

¹⁵⁶ Sherifa Zuhur. “Saudi Arabia: Islamic threat, political reform, and the global war on terror.” Strategic Studies Institute. March 2005. Online. Internet. 9 June 2005. Available: <http://www.carlisle.army.mil/ssi/pdf/PUB598.pdf>

the first woman to be elected to the board of a major Saudi bank.

- One of the women of the driving demonstration actually participated in the Third National Dialogue, whose subject was women, held in June 2004. Two women have been appointed members of the 120-seat Majlis al-Shura, and Amira al-Jawhara Fahd ibn Muhammad ibn Abd al-Rahman al-Saud was appointed Assistant Undersecretary for Education Affairs in 2000, another important first. Women's desks are being established in all ministries; Foreign Minister Prince Saud al-Faysal announced that women will be hired in his ministry for the first time, and Saudi businesswomen are optimistic as well.

C. Military transitions

Saudi Arabia has made significant progress in creating modern and effective military forces, but it still faces major problems in the leadership and organization of its armed forces. It also has significant problems in manpower numbers, quality, and management. The Kingdom faces the traditional problems all states face in organizing and commanding large military forces, and in shaping and funding the future structure of its armed forces. Uncertain oil revenues and steadily expanding civil demands for entitlements, and civil investment, have greatly reduced the ease with which

the Kingdom can sustain high levels of defense expenditures. At the same time, Saudi Arabia can still afford to spend far more on its military forces than the other countries in the Middle East; Iraq's military spending has been severely restricted by UN sanctions, and Iran's economic problems have sharply limited what it can spend on military forces.

Saudi Arabia faces a major threat from both al Qaida and independent extremist groups. It also has experienced increasing tension with the US over the fact 15 Saudis were involved in the terrorist attack on the U.S. on September 11, 2001, because of a U.S. response that often seemed harshly anti-Saudi, and because Saudi Arabia feels the U.S. has often uncritically backed Israel in the Israel-Palestinian War. Saudi Arabia cooperated closely with the U.S. and Britain during the Iraq War, providing extensive basing facilities and other support, but did so as quietly as possible. It also did so with the agreement that the active U.S. Air Force combat forces, and Patriot units, based near Riyadh would leave the country after the war, which they did in the summer of 2003. A major U.S. military assistance mission still operates in Saudi Arabia, and the U.S. and Britain would certainly support Saudi

Arabia in dealing with any threat from Iran or Yemen. Saudi Arabia and the US also now cooperate far more closely in the war on terrorism. Nevertheless, Saudi Arabia's military relations with the U.S. are substantially less close than in the early 1990s.

Joseph Kechichian states in his article that Saudi officials were preoccupied in the year 2003 with the preparedness levels of many units in the military rather than the latest sophisticated equipment. Even the royal Saudi force faced austerity measures.¹⁵⁷

He mentions King Abdullah's military plans after 9/11 saying that "he maintained the longstanding cooperation accords with the United States, which allowed the latter's Special Operations Forces to operate out of key Saudi bases during the attack on Iraq but simultaneously welcomed Washington's decision to redeploy a U.S. Air Force Wing out of Sultan Air Base at Al Kharj in the summer of 2003. Abdallah understood that his will and massive military expenditures notwithstanding, such austerity measures were absolutely necessary, as he concentrated on internal and regional disturbances."¹⁵⁸

¹⁵⁷ Joseph A, Kechichian. "Testing the Saudi will to power: challenges confronting Prince Abdallah." Middle east policy, Vol. X, No.4, Winter 2003. Online. Internet. 9 June 2005. Available: http://www.findarticles.com/p/articles/mi_go1651/is_200312/ai_n6611611

¹⁵⁸ Joseph A, Kechichian. "Testing the Saudi will to power: challenges confronting Prince Abdallah." Middle east policy, Vol. X, No.4, Winter 2003. Online. Internet. 9 June 2005. Available: http://www.findarticles.com/p/articles/mi_go1651/is_200312/ai_n6611611

D. The domestic war on terror

Saudi Arabia took several practical steps to address internal problems ranging from measures to prevent money laundering to ordering banks and other financial institutions to strictly monitor any large transactions. Friday sermons throughout the kingdom's mosques stressed the need to combat terrorism, offering support to the coalition to defeat Osama Bin Laden's Al Qaeda and the Taliban in Afghanistan.

A report issued on the 22nd of January 2004, states that the U.S. and Saudi Arabia asked the United Nations to freeze the assets of four international branches of a leading Saudi charity named "Al Haramain" accused of supporting Al-Qaeda and other terrorist groups.

It also states that in 2003, "Al Haramain" was ordered by the Saudis to cease all international operations.¹⁵⁹

Another more recent report issued on the 4th June 2004 states that US \$ 140 million in terrorist related assets has been frozen as a result of efforts by U.S. and its allies such as Saudi Arabia.¹⁶⁰

¹⁵⁹ Brook N Meeks. "U.S., Saudi Arabia joint crackdown on terrorist financing." *MSNBC news* 22 Jan. 2004. Online. Internet. 31 July 2004. Available: <http://msnbc.com/id/4028992/>

¹⁶⁰ Juan Zarate. "Joint U.S. and Saudi action in the financial war on terror." *Saudi-U.S. relations information service* 4 June 2004. Online. Internet. 28 July 2004. Available: <http://www.saudi-us-relations.org/newsletter2004/saudi-relations-interest-06-04a.html>

Moreover, Saudi Arabia has greatly accelerated its counter terrorism efforts and internal changes because of U.S. pressures and since it started to become a major target of terrorism in 2003. Since September 11, Saudi Arabia has questioned thousands of suspects and arrested hundreds of individuals with suspected ties to terrorism. According to Cordesman, Saudi Arabian Monetary Agency (SAMA) issued instructions to all Saudi institutions to strictly implement 40 recommendations of the Financial Action Task Force (FATF) regarding money laundering and the numerous recommendations regarding terror financing. Another major institutional initiative is the creation of a specialized financial intelligence unit in the security and drug control department of the Ministry of Interior which is tasked specially with handling money-laundering cases.¹⁶¹ One of the most important actions taken very recently by Saudi Arabia for fighting terrorism is that it hosted a major anti-terrorism conference attended by delegations from more than 50 countries including the United States. Its purpose is to share information about better ways to catch terrorists.¹⁶²

¹⁶¹ Anthony Cordesman. "The prospects for stability in Saudi Arabia in 2004." *Center for strategic and international studies* 19 February 2003. Online. Internet. 19 February 2004. Available: http://www.csis.org/burke/saudi21/040219_prospectforstability.pdf

¹⁶² Craig Whitlock. "Saudi confronts extremist ideologies." *Washington post* 6 February 2005. Online. Internet. 7 February 2005. Available: <http://www.washingtonpost.com/ac2/wp-dyn/A1505-2005Feb5?language=printer>

Following are few of the steps that have been taken by Saudi Arabia to combat terrorism which are mentioned in Kechichian's article titled: "Testing the Saudi will to power: challenges confronting Prince Abdullah."¹⁶³

- In the spring of 2003, Saudi Arabia's first independent human-rights organization was authorized. It held its first major conference on Human Rights in Peace and War in mid-October 2003, when some 70 papers were discussed. According to press reports, the conference emphasized the need to adopt common international standards for human rights that respect all religions, cultures and traditions. Significantly, one of the participants, Princess Hussa bint Salman, daughter of the powerful governor of Makkah, addressed Saudi Arabia's stand on human rights and clarified several recent changes in the law. Her participation as well as her interventions revealed the importance that the Al Saud have attached to this key question.

- "National Dialogue Panel" as well as a 30-strong "Saudi Intellectual Dialogue" group emerged. The latter forwarded a series of recommendations to Prince Abdullah.

¹⁶³ Joseph A, Kechichian. "Testing the Saudi will to power: challenges confronting Prince Abdallah." Middle east policy, Vol. X, No.4, Winter 2003. Online. Internet. 9 June 2005. Available: http://www.findarticles.com/p/articles/mi_go1651/is_200312/ai_n6611611

They called on him to widen freedom of expression, broaden the decision-making process, improve communication lines between rulers and ruled, empower women, accept intellectual diversity within society, and balance economic and commercial development. They also asked him to confront extremism by differentiating between terrorism and jihad, while paying more attention to youth concerns. Finally, they pleaded for an accelerated pace for the implementation of ongoing reform programs that recognize the impact of regional and global situations.

- To his credit, Abdullah pushed through the Saudi Cabinet a number of measures that addressed several of these recommendations. In an earthshaking step, the Saudi cabinet announced that it was contemplating elections to choose half of the members of each of 14 municipal councils. Riyadh decided to widen participation of citizens in running local affairs through elections within one year. While long-overdue elections were perceived as a beginning, an al-Watan columnist in Riyadh hoped that they would lead to elections in the Shura Council, in universities, and in the right to form syndicates.

Chapter VIII

Conclusion

After the fall of the Soviet Union, the United States became the only remaining superpower in the world. But this does not free U.S. from external threats: the events of 9/11 proved this fact and lead the United States to change its foreign policy toward the world in general, the Middle East, and Saudi Arabia in particular since most of the hijackers who committed 9/11 belonged to the kingdom. However, U.S. policy toward Saudi Arabia should be conducted in a very careful manner in order to preserve with it good relations because the latter is not just an Islamic country: Saudi Arabia contains 25% of the world proven oil supply, with a high production capacity and a low production cost. It is a major player in the region and is dedicated to the Middle East peace process. It has an enormous influence in the Arab/Islamic world as it provides large amounts of aid to the poor nations in the region.

Since September 11, the future of the Saudi-U.S. relationship has been thrown into an open-ended question. Yet the United States, for the foreseeable future, will need good

relations with Saudi Arabia and the Gulf. No other country or region can provide the oil capacity that the United States, and the world, requires in the case of a supply disruption.

Moreover, as a major producer in the world, Saudi Arabia has played a significant role in ensuring the world energy supply and stabilizing the world oil market, a fact which the United States cannot ignore. Also, Saudi Arabia's investment in U.S. has contributed much to the U.S. economy.

On the other hand, Saudi Arabia also needs U.S. technology and equipment for its oil production and needs U.S. to help it enhance its national defense. Plus, Saudi Arabia needs to sell its oil in order to survive regardless of Western policies. This leads us to consider that U.S. and Saudi Arabia complement one another. However, despite their interdependence in economy and politics, the two countries run into conflict from time to time over a series of issues because of their difference in culture. Also, a history of the relationship between the two countries proves that it is subject to limitation (the 1973 oil embargo).

No matter how much the United States tries to decrease its dependence on the Gulf for oil supplies, the Persian Gulf region remains central to the global oil market and will become

even more vital in the future. U.S. oil imports from outside the Middle East will not change this fact. The United States and the other major oil importers are all part of a single oil market driven by supply and demand and the global demand for oil has risen steadily over the last several decades. The options available to these oil importers are clearly determined by price, and therefore by those countries that hold the reserves. More than 60% of world oil deposits are clustered in and around the Persian Gulf. As Shibley Tilhami notes: "The oil market is seamless and is largely driven by supply and demand. Middle Eastern oil, yes, but also the price of global oil. And while the United States can and should conserve energy and develop alternate energy sources, the gap between what the United States now produces and what it consumes (nearly 10 million barrels a day) is simply too wide to be bridged. Moreover, the clustering of the reserves in the Middle East also means that at some point in the not too distant future, a greater share of the oil supply will inescapably be coming from that region."¹⁶⁴

U.S. foreign policy in the Middle East and particularly in Saudi Arabia has witnessed a shift after the tragedy of 9/11. U.S. foreign policy before 9/11 depended on preserving the

¹⁶⁴ Shibley Tilhami. "The Persian Gulf: Understanding the American oil strategy." *The Brookings Review* Vol. 20 No. 2 pp. 32-35 9 June 2004. Online. Internet. 6 September 2004. Available: <http://www.brook.edu/press/REVIEW/spring2002/telhami.htm>

status quo which is reflected in U.S. support of repressive regimes such as Saudi Arabia and Egypt as well as replacing the sanctions in Iraq by smart sanctions. However, 9/11 justified the use of U.S. military power and represented a shift in its policy toward Saudi Arabia.

The primary concern of the United States in the present and the near future is the necessity of internal reform in the Gulf region. This does not imply that the U.S. is not concerned about the Middle East peace process, Iraq, Iran and oil in general. However, the main conflict concerns reform, its timing and fast implementation. These conflicts with Washington will not stop if the Gulf States and especially Saudi Arabia do not take serious steps to implement reform. Reform is an essential part of the war against terrorism, and is going to be of great interest to American officials in the coming years. It will also have specific impacts on the U.S.-Saudi relations. On the other hand, the Saudis will need to reform their political, educational and economic system in order to improve the relationship between Saudi Arabia and the rest of the world. This is also important in order to avoid giving other Gulf countries the chance to supply the United States with oil while loosing a great deal of its U.S. oil market. Yet those Americans calling for reform

in Saudi Arabia must bear in mind that political change cannot be imposed from the outside, and especially not the United States. Gradual approach is the only guarantee of political change: No reform process is likely to produce a positive and stable outcome without the cooperation of the monarchy which has already started with some economic, political and social reform actions.

Challenges are facing both U.S. and Saudi Arabia after 9/11. One danger facing the U.S. is that if a regime adopting principles similar to those of Taliban comes to power in Saudi Arabia, it will control oil leading to a prolonged interruption in the flow of oil. The consequences of such an interruption, for the United States and the global economy, would be highly disruptive, especially if emergency oil production elsewhere could not be brought quickly. Moreover, American blindness to issues of fundamental concern to the Middle East, and its insensitivity to the vital interests of others, creates a dangerous situation, a minefield that in the end will affect U.S. interests even more than those of Saudi Arabia. The Saudis will still have oil and the West will have a need to buy it. But an unfriendly regime in Riyadh on the eastern flank of the Arab world would likely become a source of opposition to the West, to Israel, to moderation within the Islamic

community, and to sensible oil-pricing policies.

On the other hand, Saudi Arabia faces challenges of a political, social and economic nature that could fuel the radical flank of Islamists and that require attention and serious structural reforms. The grievances of the Islamists include authoritarianism and repression, misdistribution and inequity of resources, the absence of representation in the political system.

In my opinion, political and economic interests have always determined the nature and strength of relations between all the countries in the world.

In our case, economic interests and strategic interests have always been the reason behind the special relation between U.S. and Saudi Arabia, giving them a great will and power to overcome any problems confronting them and threatening their special bond.

U.S. and Saudi Arabia will always maintain this special relation because each one of them needs the other's help and support in various important matters keeping in mind that it is hard for each one of them to find a beneficial and similar substitute: U.S. is the only superpower in the world with great technological and military capabilities while the Kingdom has 25% of the world oil reserves. They are two countries complementing one

another.

However, in order to protect this special bond, both countries need to compromise. Saudi Arabia must undertake serious political, economic and social reforms in order to keep up and open it self to the outside world, while trying to diminish the negative impact and actions of Islamists carrying out terrorist actions around the world and harming the reputation of the Kingdom. On the other hand, America must understand that reforms in the Kingdom happens in a gradual manner and needs a lot of time and efforts without being imposed on Saudi Arabia by the outside world which would cause negative outcomes. Moreover, the U.S. must also reconsider its own policy priorities in the Middle East beyond the U.S.-Saudi relationship, if it hopes to help promote a stable environment in Saudi Arabia that will protect U.S. strategic interests.

Finally, even when taking cautious steps to protect their relation, difficulties are always likely to take place such as the death of King Fahd lately which lead to the increase of oil price to 62 \$ per barrel and heightened concern about the stability of the world's largest oil exporter. However, King Abdullah is expected to maintain his brother's policy of cautious reform while fighting the al-Qaeda- terrorism especially that the

kingdom has been practically run by him for the past ten years. Yet despite signs of a smooth transition, oil markets are clearly worried about generational issues involving the Saudi throne and the impact of divisions within the royal family between reformers and conservatives. Moreover, despite apparently stormy relations with King Abdullah, Prince Sultan was immediately appointed Crown Prince, which indicates that the succession in the ruling family has been determined but gives no hint as to where the kingdom's policies will head in the short term. The question now is what extent the conflict is likely to reach in the ruling family and what effects is it likely to have on future U.S-Saudi relations?

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