

1973-8-1, Faisal, Saudi, Overall

II. BACKGROUND CONSIDERATIONS AND SUMMARY

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

A. SAUDI ARABIA'S BROADENED HORIZONS

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

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

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

SECRET/NOFORN

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

5. Recommendations

- 1) Acceptance that Saudi Arabia, as a rich, and now vulnerable, country, will be attempting to build up its armed forces at an accelerated pace; although the United States may feel a natural reluctance to participate in such an arms build-up, we must realize that a strong Saudi Arabia is probably the best guarantee of security in the area for the future, and an essential element in increased oil production and oil availability; we should be prepared to accept an important role in Saudi defenses expansion lest others pre-empt the political advantages to be gained by supplying weapons and training.
- 2) Acceptance that the SAG will tend to prefer government-to-government relationships for major military contracts; and that this contract preference has in many (though not all cases) benefits likewise for the USG.
- 3) Active participation in MODA manpower planning to assure that those few trained personnel available are put to maximum use; and that intelligent advanced manpower planning is used to enlarge existing training programs.
- 4) Assignment of additional USMTM support personnel to Saudi Arabia to cope with increased demands of U.S.-related military programs in Saudi Arabia.

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

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

SECRET/NOFORN