

BROTHERS IN ARMS: AMERICAN AND SAUDI ARABIAN RELATIONS
DURING THE SOVIET-AFGHAN WAR

by

Nicholas Allen Hayen

A thesis submitted to the faculty of
The University of Utah
in partial fulfillment of the requirements for the degree of

Master of Arts

Department of History

The University of Utah

May 2014

Copyright © Nicholas Allen Hayen 2013

All Rights Reserved

ABSTRACT

The United States and Saudi Arabia have enjoyed a long history of strong economic and security ties for over half a century. As the events of the late 1970s and 1980s fundamentally shifted the balance of power in the Middle East, the U.S.-Saudi relationship shifted with it. The economic cooperation between the two nations, sustained by organizations such as Aramco and the Gulf Cooperation Council, ensured that the two countries remained strong trading partners heading into the 1980s, despite the setbacks of the 1973 oil boycott. Regional security threats and internal dissent within the Kingdom encouraged the sale of American military hardware during this period as well. Both nations would reap the benefits of these two factors of the U.S.-Saudi relationship following the Soviet invasion of Afghanistan in late 1979. Washington and Riyadh worked together to support the Soviet resistance groups, especially the religiously motivated mujahidin, through massive programs designed to fund and arm the rebels. The precedent of strong working relations between the two countries ultimately proved critical to the success of the Afghan resistance forces.

To my wife Hannah, for all her encouragement, support, and dedication....

TABLE OF CONTENTS

ABSTRACT.....	iii
ACKNOWLEDGEMENTS.....	vi
INTRODUCTION	1
CHAPTER	
1. ECONOMIC CONSIDERATIONS IN THE U.S.-SAUDI RELATIONSHIP	4
The Oil Trade.....	6
Economics and the GCC.....	20
The Tanker War	28
Summary: Economics in the 1980s.....	33
2. SECURITY THREATS AND ARMS SALES IN THE U.S.-SAUDI RELATIONSHIP	35
External Threats to the Kingdom.....	36
Internal Threats to the Kingdom.....	46
Arms Sales to Saudi Arabia.....	55
Summary: Security in the 1980s.....	63
3. THE UNITED STATES, SAUDI ARABIA, AND SOVIET RESISTANCE IN THE 1980s	66
American Support for the Mujahidin.....	68
Saudi Arabian Support for the Mujahidin.....	77
Ethiopia, Yemen, and the Soviet Decline.....	86
Summary: The Enemy of My Enemy.....	89
CONCLUSION.....	92
REFERENCES	94

ACKNOWLEDGEMENTS

Several people and organizations have contributed greatly to this project and without them, this work would not be possible. First and foremost, my sincerest thanks go to the members of my advisory committee, especially Professor Peter Sluglett for his generosity in taking up this project while working abroad with the National University of Singapore. I wish to acknowledge the contributions of Professors Edward Davies II and Byron Cannon for their help in drafting sections of the first chapter. Professor Peter von Sivers must also be recognized for his dedication to the Middle East Center and for teaching me so much about the region. From my undergraduate school at South Dakota State University, Professors Lizabeth Johnson, Charles Vollan, John Taylor, and Jonathan York deserve credit for encouraging my continuation to graduate studies. I also want to thank the National Council on U.S.-Arab Relations and the Middle East Policy Council for mentoring me through their internship programs and providing several of the sources used in this paper. Finally, a special thanks to my parents Stuart and Myrna, my late grandmother Olga, my wife Hannah, and all the other family and friends whose love and support have made me who I am today.

INTRODUCTION

On the salty seas of the Great Bitter Lake along the Suez Canal route, the *USS Quincy* would become the stage for one of the most critical meetings in modern world history. The end of the Second World War was in sight and United States President Franklin Delano Roosevelt had just arrived from the postwar planning conference in Yalta. FDR had arranged a meeting with the King of Saudi Arabia, ‘Abd al-‘Aziz Al-Saud, commonly known as Ibn Saud. The two met on February 14th, 1945 to discuss various plans for facilitating strong relations between the two nations. Their visit would last only a few hours, but its implications would have an enormous impact on the future of the Middle East. Their correspondence touched on several key issues, including the question of then British Palestine and the future of a postwar Middle East. However, the defining legacy of this meeting dealt with the topic of security and oil. Though the official record of the meeting reveals little about the actual terms of their agreements, it is clear that they both recognized the value of the emerging U.S.-Saudi relationship. Their secret agreement ensured the security of the Saudi military in exchange for significant access to the Kingdom’s petroleum reserves. The friendly and personal relationship between FDR and Ibn Saud would set the tone for the U.S.-Saudi relationship that has continued well into the 21st century.

Though this relationship has had its share of trials throughout the decades, it has remained strong in the face of more pressing issues. One of the most turbulent eras in

Middle East history occurred in the late 1970s and 1980s. Several events, such as the 1979 Islamic Revolution in Iran, the Iran-Iraq War, and the Soviet invasion of Afghanistan, tested the resolve of the U.S.-Saudi relationship. In each event, both nations benefitted from the alliance. The underlying sense of cooperation ensured that the two would work together to face the troubling realities of the Arab and Islamic world in the 1980s.

Ultimately, the U.S.-Saudi relationship hinges on the trade of oil and petroleum products. Several companies and government organizations have contributed to the success of this economic relationship. The Arabian American Oil Company, Saudi Arabian Monetary Agency, and the Gulf Cooperation Council encouraged and utilized this close cooperation with the U.S. to establish large-scale investment programs throughout the region. Though events such as the 1973 Arab oil boycott and the aftermath of the Camp David Accords strained U.S.-Saudi relations, the importance of continued cooperation was never forgotten. Finally, when the future of the oil trade became threatened by Iranian aggression during the Iran-Iraq War, the U.S. Navy stepped in to protect Gulf oil tankers and ensure the continued security of the region's economic interests.

Security concerns are also of critical importance to this relationship. Saudi Arabia encountered a number of actual and perceived existential threats during the decade both externally from powers like Iran and the Soviet Union and internally from Sunni and Shi'i' fundamentalist aggression. The United States helped alleviate the Kingdom's security concerns through its sale of F-15 fighter jets and reconnaissance planes in 1978 and 1981, respectively. This sale encountered significant opposition from

Congressional officials worried about the security of Israel in light of this significant purchase. However, the decades-long foundation of U.S.-Saudi relations allowed the sale to commence.

This relationship proved its importance in the wake of the Soviet invasion of Afghanistan in late 1979. Decades of economic and military cooperation allowed the two countries to provide vast amounts of money and weapons to the resistance forces that battled for years to expel the Soviet military from the country. Known as Operation Cyclone, the U.S. program to arm the religiously motivated mujahidin greatly undermined the Soviet military in Afghanistan, while Saudi religious fundraising and recruitment programs also significantly aided the war effort. Throughout the Cold War, Washington and Riyadh would also team up in other theaters such as Ethiopia and Yemen to combat the expansion of Soviet influence in the region. In all, the experiences of the late 1970s and 1980s strengthened the U.S.-Saudi relationship, allowing it to continue on solid ground well into the new century.

CHAPTER 1

ECONOMIC CONSIDERATIONS IN THE U.S.-SAUDI RELATIONSHIP

“Saudi Arabia remains the focal point of any struggle for hegemony over the Persian Gulf. Saudi Arabia is the only OPEC producer control of whose oil reserves will by itself confer a virtually automatic veto over growth in the Western economies.”¹

Writing in 1981, in a report prepared for a Security Conference on Asia and the Pacific a year after the beginning of the Iran-Iraq War, Francis Fukuyama outlined the critical importance of Saudi Arabian oil for the United States’ relationship with the Arabian Peninsula. His statements reflect the general thinking of the United States at the time that both the U.S. and Saudi Arabia must work together to ensure the production and flow of oil in the Gulf area in addition to maintaining and improving their various economic endeavors. During the 1970s and 1980s, there were many potential obstacles in the way of achieving these goals. The Iran-Iraq War, falling oil prices, and the establishment of the Gulf Cooperation Council, among other factors, created various opportunities that might either hurt or help the U.S.-Saudi economic relationship. Although both nations would experience roadblocks and difficult political circumstances throughout the decade,

¹ Francis Fukuyama, *The Soviet Threat to the Persian Gulf*, (Santa Monica, CA: The Rand Corporation, 1981), 14.

the overriding economic relationship between the two countries remained relatively strong.

On the surface, U.S.-Saudi political relations might seem tenuous at best. The awkward situation of a predominantly Christian, Western nation teaming up with an avowedly theocratic Muslim nation espousing a particularly intolerant version of Sunni Islam, not to mention the ongoing Palestinian-Israeli conflict, has bestowed a fair share of politically difficult positions on both nations. Nevertheless, the ties of oil and economics have for the most part overridden these considerations, and have allowed Washington and Riyadh to weather these storms together. In many ways, the situations presented in this analysis at first glance might appear to constitute major obstacles to the continued existence of the relationship, but the underlying importance of oil and economics has turned many of these events into advantageous experiences for both nations.

In terms of oil and petroleum, several events contributed to the relationship experienced between the U.S. and the Kingdom in the 1980s. First, the establishment of the Arabian American Oil Company (Aramco) and its transition to full Saudi ownership went smoothly and allowed for the continued employment of significant numbers of American workers and executives within the company. The Saudi Arabian Monetary Agency acted as the central bank for Saudi Arabia, giving it critical importance in the economic relationship between the U.S. and Saudi Arabia. Although the 1973 Arab oil boycott seriously affected relations, the 1974 Joint Commission agreements helped relieve this tension, and the Saudis reassured the U.S. by insisting that they would not proclaim another boycott after the Camp David Accords. After the outbreak of the Iran-Iraq War and the 1980s oil price collapse, Saudi Arabia also demonstrated its

commitment to oil security by ramping up production and keeping prices lower during the conflict.

On the economic side, several developments helped foster greater financial cooperation between the two nations. The large scale of U.S. and Saudi Arabian investments helped created greater interdependence between the two nations. The creation of the GCC also streamlined many of these investment processes by at least attempting to unify the efforts of all the Arab Gulf states. Finally, the Tanker War operations where the U.S. helped secure Gulf oil shipping in the latter half of the 1980s provided an excellent example of U.S.-Saudi cooperation while demonstrating the willingness of America to support their Arab neighbors. This examination begins first with the considerations of oil and maintaining its development, production, and trade from the Arabian Peninsula to the Western markets.

The Oil Trade

The oil relationship between the United States and Saudi Arabia begins first and foremost with the establishment of the Arabian American Oil Company (Aramco). This organization, established in 1944 and previously known as California-Arabian Standard Oil (CASOC), served as the primary corporation for managing the emerging oil industry of the newly recognized Kingdom of Saudi Arabia. It would serve as the unofficial liaison between the United States government and the Saudi Arabian government in all issues related to oil and petroleum production. Rachel Bronson notes that “The U.S. government by and large took a backseat to Aramco’s relations with Riyadh. The State Department let Aramco take the lead in interacting with the Saudi government,

particularly around oil and local development issues.”² As the industry spawned by this company matured and the Kingdom grew more self-reliant, the Saudis began to push for more control and influence over their own oil market. Aramco led the way in this development. In the totality of U.S.-Saudi relations, the cooperative role of private U.S. companies, particularly Aramco, is virtually unique.³ Over the decades, the Saudis’ desire for an increased share of the revenue and the sweeping movement in favour of nationalization throughout the Middle East, which began after 1945, would compel the Kingdom to pressure the United States and Aramco for a better deal.

The Saudis noted that better terms were being obtained by host governments in other oil concessions, particularly in Venezuela. As a result, the Saudi government began to pressure Aramco for more revenues in the spring of 1950.⁴ The three parties began negotiating over control of the company and the share of its revenues. The Saudis began to call for the nationalization of the company, effectively shutting the United States out of its oil profits. Looking to prevent such a disastrous outcome, the United States convinced Saudi Arabia to agree upon a deal to split the profits of Aramco, half going to the United States and half going to the Kingdom. Known as the “50-50 profit sharing agreement” and the “golden gimmick,” the decision allowed the Kingdom to begin running its own oil company. The United States also gained from this deal. “The arrangement was partly a result of Aramco’s legacy in the Kingdom, but it also fit nicely with the determined efforts of successive U.S. administrations to stay out of local politics rather than recreate

² Rachel Bronson, *Thicker than Oil: America’s Uneasy Partnership with Saudi Arabia*, (New York: Oxford University Press, USA, 2006), 21.

³ David E. Long, *The United States and Saudi Arabia: Ambivalent Allies*, (Boulder, CO.: Westview Press, 1985), Introduction p. xi.

⁴ *Ibid.*, 18.

Britain and France's colonial experience."⁵ In this way, the U.S. still maintained a fair amount of control over the company, and could forestall some of the inevitable difficulties of immediately ceding all power to the Saudis. This agreement continued throughout the trials and tribulations of the following two decades, but in the 1970s and 1980s, there were renewed calls for increased Saudi control over the company.

Beginning again in the 1970s, the Kingdom started to realize its desire for full control of Aramco. By this time, the United States understood the inherent risks in postponing nationalization indefinitely, and worked to obtain the best deal it could out of the coming arrangement. The Saudis managed to increase their share of the company to 60 percent in 1974, and eventually obtained complete ownership in 1980.⁶ Despite the complete dominance of the Kingdom over the affairs of the company, the workings of Aramco were relatively unaffected. The U.S.-Saudi relationship suffered little if at all from the transition, and in some ways it improved, as the Saudis could appreciate the confidence of the U.S. in allowing the state to take complete control over the company. Despite the Saudi takeover of Aramco, its staff continued to include a large number of American personnel.⁷ The orderly transition of Aramco to complete Saudi ownership thus worked to strengthen the U.S.-Saudi economic relationship in this tumultuous era in Middle East history.

As another one of the key players in the U.S.-Saudi economic relationship, the Saudi Arabian Monetary Agency (SAMA) served as the central bank for the Kingdom of Saudi Arabia. SAMA, established in 1952, worked to carry out the economic planning

⁵ Bronson, *Thicker than Oil*, 21.

⁶ Long, *Ambivalent Allies*, 24.

⁷ William B. Quandt, *Saudi Arabia in the 1980s: Foreign Policy, Security, and Oil*, (Washington DC: Brookings Institution Press, 1981), 147.

and diversification of the Saudi financial system. Its chief responsibility centered on overseeing all aspects of the government's banking system and ensuring its continued success.⁸ As such, its role as economic mediator between Washington and Riyadh increased as oil revenues and economic investment soared. Nevertheless, its role in the economic system remained steady throughout the decades. Mohamed Ramady has explained SAMA's role as follows: "issuing the national currency (Riyal), acting as banker to the government, supervising commercial banks, advising the government on the public debt, managing the Kingdom's foreign exchange reserves, conducting monetary policy, and ensuring the soundness of the Saudi financial system."⁹ With such broad powers over the Kingdom's finances, SAMA became an immediate point of contact between the U.S. government and the Saudis. This relationship grew even stronger in the coming decades.

Looking to capitalize on the success of SAMA in previous years, the Saudis had introduced a Banking Control Law in 1966 that greatly enhanced SAMA's hold over the Saudi economy. The new regulations established by the law clarified and strengthened SAMA's role in maintaining and regulating the Saudi banking system. Furthermore, it allowed SAMA to enjoy broad supervisory powers to issue regulations, rules, and guidelines regarding several areas of international development, including the provision of capital adequacy, liquidity, reserve requirements, and loan concentration ratios.¹⁰ These developments allowed SAMA to play a significant role in managing the events of the 1970s and 1980s.

⁸ Emile A. Nakhleh, *United States and Saudi Arabia: A Policy Analysis*, (Washington D.C.: American Enterprise Institute for Public Policy Research, 1975), 19.

⁹ Mohamed Ramady, *The Saudi Arabian Economy: Policies, Achievements, and Challenges*, (New York: Springer, 2005), 82.

¹⁰ *Ibid.*, 81.

SAMA's role in the Saudi economy came to the fore after the 1973 oil boycott, especially the boom of 1973-1982. Ramady also cites the managing of the expansion of the banking system to cover most of the country as another SAMA concern.¹¹ The sudden influx of revenue from the spike in oil prices caused by the 1973 boycott threatened to destabilize the oil market and send prices soaring out of control. While this took place again because of overproduction during the oil glut of the 1980s, SAMA strived for most of the decade to prevent such an event from occurring while continuing to monopolize its hold over the country's banking system. Despite its best efforts, world overproduction of oil soon led to a dramatic plunge in oil prices and SAMA was left to mitigate the damage. During 1983-2004, SAMA's priorities were to introduce market reforms and advise the government in managing the public debt. Both SAMA and Saudi commercial banking came of age with the completion of so-called 'Saudization' by 2006.¹² Throughout these years, SAMA worked with the U.S. to ensure that its actions remained amenable to both parties while still keeping the integrity of the U.S.-Saudi economic relationship.

SAMA received its first major test in the aftermath of the 1973 Arab-Israeli War and the oil boycott. This threatened to stifle U.S.-Saudi cooperation, which in turn threatened, although only very briefly, to disrupt the flow of oil from the Gulf to the United States. During the 1973 Arab-Israeli War, the United States gave significant aid to Israel at the expense of the Arab states, which made the majority of states in the Middle East, and the Gulf especially, feel both angered and betrayed by the U.S. In response, the more wealthy oil producing countries initiated a boycott of oil sales to the

¹¹ Ibid., 83.

¹² Ibid., 83.

United States in an attempt to show the West the dangers of continuing to interfere in the conflict. One major consequence was that the price of oil spiked dramatically in the following years, which put severe strains on U.S.-Saudi relations.¹³ Yet, the overall effects of this lessened as the decade progressed, since the money derived from oil exports was recycled into Western government securities and stock markets.¹⁴ Nixon's implementation of the dollar regime, where OPEC countries agreed to price their oil in U.S. dollars, allowed the country to reap some benefits of the price increases. For instance, many of these nations used their substantial increase in petrodollars to make large investments in and purchases of American industrial hardware. Large arms sales and investment projects helped offset some of the potential damage from the oil boycott. Furthermore, Arab merchandise imports from the U.S. remained relatively stable throughout the decade, ensuring that, at least in one regard, business would remain as usual between the two nations.¹⁵ In fact, March 1974 saw the end of the oil embargo with most Gulf nations returning to relatively stable trading positions with the United States. By the latter half of the 1970s, the effects of the 1973 embargo had been marginalized in the greater scheme of U.S.-Saudi relations.

One of the key agreements between the two governments that helped offset the effects of the 1973 embargo was the U.S.-Saudi Arabian Joint Commission on Economic Cooperation. Established in June 1974, the agreement highlighted the existence of common ground between the two economies, especially in the light of the oil boycott.¹⁶

¹³ Long, *Ambivalent Allies*, 24.

¹⁴ Jawid Laiq, "The Gulf Cooperation Council: Royal Insurance against Pressures from within and Without," *Economic and Political Weekly* 21, no. 35 (1986): 1555.

¹⁵ Joseph C. Story, *U.S.-Arab Relations: The Economic Dimension*, (Washington, D.C.: National Council on U.S.-Arab Relations, 1985), 9.

¹⁶ Nakhleh, *United States and Saudi Arabia: A Policy Analysis*, 8.

This was the first such agreement of its kind between the United States and a Middle Eastern nation. A report by the comptroller general on the effects of the Commission in 1978 demonstrates its importance in the context of the oil embargo.

The commission was established on the heels of the Arab oil embargo and price increases. The embargo emphasized that closer U.S.-Arab ties were needed. The oil price increases gave Saudi Arabia a substantial amount of petrodollars which could be used for development purposes.¹⁷

Both nations sensed a need for greater economic cooperation and unity of purpose following the embargo, and they tasked the Joint Commission with negotiating a favorable deal to channel these petrodollars into both U.S. and Saudi Arabian development.

Specifically, the Joint Commission set out to achieve the following: foster closer political ties between the two countries through economic cooperation, assist Saudi industrialization and development while recycling petrodollars, and facilitate the flow to Saudi Arabia of American goods, services, and technology.¹⁸ In order to prepare for the commission, working groups were set up to consider several areas of Saudi concern: Saudi economic development, including the finding of ways to use flared gas from oil wells to expand fertilizer production, the utilization of skilled training from the Saudi university system with a focus on science and technology, the development of solar energy and desalination plants, and finding ways to improve agriculture within the

¹⁷ United States General Accounting Office, Comptroller General of the United States, *The U.S.-Saudi Arabian Joint Commission On Economic Cooperation*, by Elmer B. Staats, ID-79-7, (Washington D.C.: United States Government Printing Office, 1979), 2.

¹⁸ *Ibid.*, i.

Kingdom. They also considered a council to facilitate private business contracts in these areas.¹⁹ As far as Washington was concerned,

the goal for the U.S. in establishing this agreement, besides giving the Saudis an incentive to raise oil production, was to serve as a model for economic cooperation between America and the Arab world as a whole. It intended to assist the Saudis in planning to expand their industrial capacity, which would then lead to a rise in Saudi imports of goods and technology.²⁰

The nonpetroleum economy of Saudi Arabia hardly took off despite these investments, but the Commission's emphasis on the further development of oil infrastructure made great improvements possible. Both sides could take away significant gains from the agreement, and its efficacy and popularity became apparent once the two nations reaffirmed the agreement in 1979 and again in 1984. The Joint Commission's goal to promote cooperation in industrialization, trade, training programs, and agricultural development dutifully served its purpose, and helped set the precedent for U.S.-Saudi economic relations throughout the 1980s. Within four years of its signing, the agreements of the Commission had initiated projects valued at nearly \$800 million.²¹ As stated in the conclusion of the comptroller general report on the agreement, "The commission is well regarded by Saudi officials for the quality of its work and personnel and has had a very favorable impact on U.S.-Saudi relations."²² This newly reestablished cooperation would face its first major test from the Egyptian peace negotiations with Israel.

Thus, when Egyptian President Anwar Sadat and Israeli Prime Minister Menachem Begin signed the Camp David Accords in September 1978, Saudi Arabia

¹⁹ John P. Miglietta, *American Alliance Policy in the Middle East, 1945-1992: Iran, Israel, and Saudi Arabia*, (Lanham, MD: Lexington Books, 2002), 263.

²⁰ *Ibid.*, 263.

²¹ *U.S.-Saudi Arabian Joint Commission*, i.

²² *Ibid.*, 23.

refrained from launching another boycott on the United States. In the aftermath of Camp David, the Arab states reacted with strong condemnation. They expelled Egypt from the Arab League and many nations cut off funding to Egypt for what they saw as a blatant betrayal of the Arab people in general and the Palestinians specifically. As far as U.S.-Saudi relations were concerned, the Kingdom felt betrayed since it had received no consideration and was not consulted in the course of these negotiations.²³ In response, the Saudis began to collude with anti-Sadat forces throughout the region, and fears quickly arose of a renewed Arab boycott of U.S. oil sales. When the Saudis aligned themselves with the anti-Sadat forces in Baghdad in November 1978, Washington reacted with genuine anger and dismay. For several months thereafter, the two countries barely spoke to each other in an official sense.²⁴ After the loss of the united Arab front against Israel, many Gulf nations began petitioning in favor of punishing the U.S. for its role in mediating the talks between Egypt and Israel. However, this critical juncture would highlight the underlying strength of the U.S.-Saudi relationship and the lessons learned from 1973.

The Camp David Accords put Saudi Arabia in a difficult position. On the one hand, the Kingdom expressed genuine anger at the supposed betrayal on the part of the U.S. and wanted to side with its Arab brothers in solidarity against Israel. On the other, the Saudis knew from previous experience that oil boycotts would most likely only make matters worse between the U.S. and Gulf states. In clarifying the Saudi position following this development, King Fahd said, “In taking our position on peace, we have

²³ Long, *Ambivalent Allies*, 121.

²⁴ Quandt, *Saudi Arabia in the 1980s*, 151.

not intended to take a hostile position toward the U.S. or damage its interests.”²⁵

Politically, this stance involved more than just oil considerations. In order to ensure the continued viability of maritime routes and to preserve a source of reliable emergency assistance, the U.S. connection remained essential for the Saudis despite these recent disappointments.

In the end, the U.S. agreed with the Kingdom’s suggestions to keep differences over Camp David separate from the economic aspects of their mutual relations.²⁶ This agreement came to a head during the summit in Baghdad in March 1978, at which the Saudis expressed strong misgivings over penalizing the U.S., but supported breaking relations with Egypt.²⁷ While the overall U.S.-Saudi relationship suffered from the effects of the Camp David Accords, the Saudis made a conscious effort to maintain the strong economic relationship that formed the basis of U.S.-Saudi cooperation. As such, the stance against another oil boycott would show a clear acknowledgment of the lessons learned from 1973. This in turn allowed for the critical cooperation of both nations during the difficult events of the coming decade.

The outbreak of the Iran-Iraq War and its effects on oil production and export in the region would provide the ultimate test of U.S.-Saudi cooperation. The Iran-Iraq War, initiated in 1980 by Iraq’s invasion of southern Iran and the Shatt al-‘Arab, shook the foundations of Gulf geopolitical and economic security. Within days, the initial shock of the outbreak of war between two significant oil producers caused immense concern over the world oil market. The Iran-Iraq War ravaged both nations for over eight years

²⁵ Naif Bin Hethlain, *Saudi Arabia and the US since 1962: Allies in Conflict*, (London: Saqi Books, 2010), 120.

²⁶ *Ibid.*, 121.

²⁷ *Ibid.*, 121.

between 1980 and 1988. Each side endured tremendous losses to its economy, infrastructure, and population. As Anthony Cordesman and Abraham Wagner note in *The Lessons of Modern War Volume II: The Iran-Iraq War*, “One estimate of the cost of the war to Iran during 1980-1985 put the price as \$108.2 billion for the oil sector, \$30.0 billion nonoil GDP, \$23.4 billion for military expenditures, \$76.5 billion in fixed-capital loss formation, and \$25.9 billion for destruction of facilities.”²⁸

These devastating effects came at a moment when Iran had already undergone significant turmoil through the overthrow of the Shah and the installation of the Islamic Republic. Iraq would face significant devastation as well. “A similar estimate of the cost of the war to Iraq reached \$120.8 billion for the oil sector, \$64 billion nonoil GDP, \$33 billion for military, \$43.4 billion in fixed capital loss, and \$8.2 billion for destruction of facilities.”²⁹ Each side also incurred heavy human losses as nearly a whole generation of young soldiers died during the conflict. Some estimates put the loss of life at almost a million people with anywhere from one to two million wounded and around two and a half million refugees.³⁰ Each side attempted to engage in total war, destroying infrastructure, inciting subversion against the other’s leaders, and firing missiles directly into densely populated areas.

These disastrous events also radiated out into the greater Gulf region. The outbreak of the Iran-Iraq War immediately shut down parts of the oil industries of both nations. Instantly, fears arose that a new energy crisis would begin. In order to prevent this, Saudi Arabia increased its production to 10.3 million barrels per day by November

²⁸ Anthony H. Cordesman and Abraham R. Wagner, *The Lessons of Modern War. Vol. 2, The Iran-Iraq War*, (Boulder, CO: Westview Press, 1996), 2.

²⁹ *Ibid.*, 2.

³⁰ *Ibid.*, 2.

of 1980 and held production steady until the following August. While some price hawks looking to take advantage of the situation charged upwards of \$36 per barrel, Saudi Arabia maintained its price at \$32 per barrel.³¹ To make matters worse, all oil exports from both Iran and Iraq ceased on the first day of the war. While exports eventually resumed a few weeks later, they remained at significantly lower levels throughout the war.³² These developments greatly worried governments throughout the Gulf, and the United States had a vested interest in the stability of the region as well. William Quandt examines the implications of this: “For the indefinite future the U.S. and its allies simply cannot do without substantial quantities of oil from Saudi Arabia. If Saudi exports were to be discounted, the cost to the world economy would be comparable to the Great Depression of the 1930s.”³³ The dependence on the flow of oil represents the foundation of U.S.-Saudi economic relations. The U.S. refrained from significant action on the ground to turn the tide of the war; later actions at sea provoked by Iran eventually forced the participation of the U.S. Navy in the conflict.

Even without the complications of the Iran-Iraq War, the oil market of the 1980s experienced its share of difficulties. Fortunately, Saudi Arabia, as swing producer, maintained the capability to use its vast oil reserves to compensate for the losses generated throughout the Gulf.³⁴ It wielded tremendous power at this time and its huge capacity allowed the oil market to overcome any shortfalls in production caused by the war. Additionally, both Kuwait and Saudi Arabia contributed directly to the Iraqi war effort, to the tune of some \$35-40 billion in loans and by selling oil from the Neutral

³¹ Long, *Ambivalent Allies*, 29.

³² Cordesman and Wagner, *The Lessons of Modern War*, 90.

³³ Quandt, *Saudi Arabia in the 1980s*, 139.

³⁴ Bronson, *Thicker than Oil*, 22.

Zone on Iraq's behalf.³⁵ In addition, Kuwait and Saudi Arabia significantly aided Iraq and helped stabilize the regional oil market. Despite these successes, the latter half of the 1980s would still cause problems for the Gulf oil economies, but for different reasons.

The 1980s saw a profound oil glut that seriously undercut the budgets of every oil-producing nation. Even with the Iran-Iraq War threatening to complicate the regional oil market, world oil prices began a steady decline. One of the key contributors to the sharp drop in oil prices was 'disastrous overproduction' on the part of OPEC member states, which brought the price of oil down to below \$10 a barrel.³⁶ Facing declining oil revenues and increasingly tight budgets, Saudi Arabia and the other GCC nations had to begin making some changes in their international oil policies. In one such case, Saudi Arabia had to surrender its position as swing producer in order to stave off its own financial difficulties, which had been increasing throughout the 1980s.³⁷ Furthermore, with the end of the Iran-Iraq War in 1988, Saudi Arabia no longer felt it necessary to act as the lone swing producer to secure the stability and profitability of the regional Gulf oil market.

The price collapse of the 1980s also put a strain on U.S.-Saudi economic relations, since the U.S. began to call in its debts.³⁸ Cash reserves had begun to dwindle towards the beginning of the decade, and the Saudis still owed significant amounts to the United States and other nations for investment projects, arms sales, and other financial arrangements. Furthermore, foreign reserves throughout the region stalled or began a marked decline. Saudi Arabia took perhaps the greatest hit, with its reserves dropping

³⁵ J. E. Peterson, "The GCC States After The Iran-Iraq War," *American Arab Affairs Journal* (1988): 99.

³⁶ *Ibid.*, 97.

³⁷ *Ibid.*, 99.

³⁸ Bronson, *Thicker than Oil*, 186.

from \$150 billion at the beginning of the decade to around \$50 billion by 1988, which put the Kingdom in a difficult position.³⁹ Saudi planners wished to maintain the colossal modernization programs of the previous decades, despite the drop in revenues. Among these projects were the defense deals of the 1974 Joint Security Commission.⁴⁰ Cutting these programs seemed unacceptable in light of the security concerns of the 1980s, and the U.S. gladly recycled petrodollars from the Gulf to help the Saudis. Ironically, this maneuver may have helped salvage the overall U.S.-Saudi relationship despite declining oil revenues. At the highest levels of government, this geopolitical reality helped keep the two countries in each other's good standing and facilitated further cooperation.⁴¹

Overall, U.S.-Saudi relations did not falter seriously in the context of oil and petroleum products. United in their mutual dependence on the oil of the region, the U.S. and Saudi Arabia worked together to combat threats to production produced by the Iran-Iraq War, and ensured a smooth transition in the Saudi takeover of Aramco. The lessons learned from the 1973 oil embargo and the 1974 Joint Commission came to fruition following the signing of the Camp David Accords. This evaluation now turns to the general economic picture between the two countries and places significant emphasis on investments and the importance of the creation of the Gulf Cooperation Council in economically uniting the Arab Gulf States. It will also briefly examine the importance of the Gulf Investment Corporation and the Unified Economic Agreement of 1981 in navigating the U.S.-Saudi economic relationship.

³⁹ Story, "U.S.-Arab Relations: The Economic Dimension," 5.

⁴⁰ Bronson, *Thicker than Oil*, 183.

⁴¹ *Ibid.*, 186.

Economics and the GCC

Despite many less than ideal developments and a decrease in imports and exports, the overall investment picture for the U.S. and Saudi Arabia looked promising throughout the 1980s. Joseph Story highlighted the positive and negative aspects of this picture in a report drafted by the National Council on U.S.-Arab Relations in 1985 titled “U.S.-Arab Relations: The Economic Dimension,” where he states that “Saudi Arabia is by far America’s largest Middle East trading partner, accounting for about half of all U.S. exports to the Arab world in 1982 and 1983.”⁴² However, a general recession throughout the world economy in the 1980s and the fall in oil prices did produce an effect on exports and imports. Exports to Saudi Arabia from the United States reached a total of around \$7.3 billion in 1981, \$9.0 billion in 1982, and \$5.6 billion in 1984. Meanwhile, U.S. imports from the Kingdom fell from \$14.4 billion in 1981 to \$7.4 billion in 1982 and further to \$3.7 billion in 1984.⁴³ The fall of imports and exports did not necessarily mean a cooling of the U.S.-Saudi relationship. In fact, mutual investment between the U.S. and the Arab world continued throughout the decade.

Economic investment tends to indicate confidence in a government’s financial system. Middle Eastern investments in the U.S. economy looked respectable during the early 1980s. Continuing his analysis, Story explains that Arab investment in the U.S. had reached roughly \$73 billion in 1984. These investments are particularly useful because the U.S. can utilize this money while simultaneously providing Arab countries safe and stable investment opportunities.⁴⁴ The benefits of such a relationship also traveled the other direction. In 1982, U.S. exports of industrial products to the Kingdom exceeded

⁴² Story, “U.S.-Arab Relations: The Economic Dimension,” 7.

⁴³ Ibid., 9.

⁴⁴ Ibid., 6.

\$9.0 billion, while over 650 different American firms were operating inside Saudi Arabia. As such, Saudi Arabia indirectly employed over sixty thousand Americans and their dependents.⁴⁵ These investment programs helped set the foundation for the U.S.-Saudi economic relationship during this time. Now we examine several of the key players that succeeded in making this relationship a reality.

These economic investment agreements in turn produced substantial effects on the U.S.-Saudi relationship in their own right, but these developments alone would not have as much of an effect without the creation of the Gulf Cooperation Council in 1981. The Gulf Cooperation Council primarily aimed to align the efforts of the Gulf States in the areas of economics and security. As Iran and Iraq, two of the region's largest oil producers, were engaged in a brutal war of attrition, the nations of the GCC began to realize the fragility of their oil dependent economies. Furthermore, they noticed with increased apprehension the implications of a now violently revolutionary and unstable Iran possessing a significant military apparatus leftover from the Shah. Through the GCC, these countries managed to help counteract both of these issues. In terms of economics, the GCC made progress in aligning their efforts in banking, investments, economic agreements, and tariffs.

Despite the oil availability concerns of the Iran-Iraq War, the price of oil continued to fall throughout much of the latter half of the 1980s. Because of this, the GCC States felt compelled to begin establishing joint investment practices to offset some of the economic damage done by falling prices. The United States' economy became a significant area of this investment focus. The GCC states have invested heavily in U.S. banks, real estate, and other holdings. It is estimated that the GCC has put at least \$70

⁴⁵ Long, *Ambivalent Allies*, 95.

billion of their petrodollars earnings back into the U.S. during the first half of the 1980s.⁴⁶ Investing petrodollars back into the United States was nothing new, but now the GCC would have a more unified policy towards such investment. The exchange of petrodollars went the other way as well. “In economic terms, the GCC represents an enormous area of wealth and investment for U.S. businesses. In 1983 and 1984, U.S. exports to the GCC averaged over \$8.5 billion. That total represented about 84 percent of U.S. exports to the entire Arab world.”⁴⁷ These measures of joint investment greatly strengthened the U.S.-Gulf relationship at a time when events throughout the Gulf, such as the Iran-Iraq War and the rise of violent Islamic groups, discouraged closer economic workings with such a volatile area.

The Gulf Investment Corporation, also known as the Gulf Organization for Investment and the Gulf Investment Authority, also streamlined investment unity in the GCC. Established in 1982, the purpose of the Gulf Investment Corporation was to coordinate the economic efforts of each member state.⁴⁸ Within a few years, this corporation had already invested nearly \$540 million. The projects of this investment included a dairy project in Qatar, plastic and textile plants in Saudi Arabia, a pharmaceutical company in Kuwait, and an aluminum foil mill in Bahrain.⁴⁹ Part of the GCC’s success relates to its commitment to fairness among the six member states, as can be seen from the distribution of shares of this new organization. “It was finally decided that the GOI would have a \$2.1 billion capital with shares equally divided between the

⁴⁶ Rex B. Wingerter, *The Gulf Cooperation Council and American Interests in the Gulf*, *Arab Affairs* 16 (Mar 31, 1986): 15.

⁴⁷ *Ibid.*, 15.

⁴⁸ Rosemarie Said Zahlan, *The Making of the Modern Gulf States: Kuwait, Bahrain, Qatar, the United Arab Emirates, and Oman*, (Unwin Hyman: Ithaca, 1998), 139.

⁴⁹ *Ibid.*, 139.

six member states, that it would be headquartered in Kuwait, and would be used for investment rather than for direct funding of joint ventures or industrial projects.”⁵⁰ This equal distribution of shares, despite the differences in economic contribution to the GCC, helped create an atmosphere of fairness among the six nations and contributed to the unity of the council, especially with regard to its foreign investments.

Next, this analysis looks at the Unified Economic Agreement of 1981 and the attempts to define a common market by abolishing customs tariffs. Almost all GCC states continued to suffer from annual budget deficits caused by falling oil prices in the 1980s.⁵¹ The Unified Economic agreement (1981) sought to mitigate the effects of decreased oil revenues; its purpose was to establish a Gulf common market (although this development is nowhere near fruition some two decades later), plan joint investments, and deal with matters of trade and pricing.⁵² Acting as one bloc, the GCC members could push their weight around in the economic world and held significant power over the rest of the OPEC members. This allowed them to set more favorable oil prices to offset the challenges created by the Iran-Iraq War. Furthermore, the Economic Agreement called for the free movement of labor and capital, coordination of oil prices, coordination of industrial activities, and coordination of financial, monetary, and banking activities.⁵³ Unifying the financial, monetary, and banking activities of the GCC contributed greatly to its success. Despite this success, the GCC still found itself unable to create a unified

⁵⁰ Rouhollah K. Ramazani and Joseph A. Kechichian ed., “Integrating Non-Oil Industry” in *The Gulf Cooperation Council: Record and Analysis*, (Charlottesville, VA: University of Virginia Press, 1988), 100.

⁵¹ John Duke Anthony, "The US-GCC Relationship: A Glass Half-Empty or Half-Full?" *Middle East Policy* 5, no. 2 (1997): 30.

⁵² Wingerter, *The Gulf Cooperation Council*, 17.

⁵³ *Ibid.*, 17.

currency system and struggled to implement most of its stated goals and several industries continue to actively compete with one another.

Nevertheless, the GCC managed to enjoy some success in establishing a common market for what few manufactured nonpetroleum based goods existed within the Gulf. This primarily benefitted GCC nationals and investors. “In March 1983, the six GCC states abolished customs tariff barriers between themselves on locally manufactured goods, marking the first major step towards establishing a common market.”⁵⁴ With the attempts at developing a common market, GCC nationals could now set up industries in any of the six states and to bid for industrial and commercial contracts on an equal footing. These barriers had previously hindered the ability of the GCC nations to conduct trade and business with each other. Acting as a unified economic bloc, the GCC also established tariffs for exporting and importing goods outside the Gulf. They set this uniform tariff at 4 percent and increased it to 20 percent for competing imports.⁵⁵ Although some speculated these tariffs would close off trade with the outside world, the allure of trading with major oil producers ensured that the Gulf could continue its business practices.

Throughout the decade, the GCC also sought a unified agreement with the U.S.’s allies in Europe. “The negotiations over the GCC’s petrochemical products are mainly concerned with tariffs, trade barriers, and market access. However, on a broader canvas, the GCC is also seeking a formal trade cooperation agreement with the European Economic Community to cover the whole range of trade and economic cooperation on a

⁵⁴ Laiq, "The Gulf Cooperation Council: Royal Insurance," 1556.

⁵⁵ Wingerter, *The Gulf Cooperation Council*, 18.

regional basis.”⁵⁶ Working more or less as a single economic institution, the GCC made great strides throughout the 1980s in dropping the disorganized economic agreements of each individual state in favor of united GCC proposals. In 1987, another commentator wrote: “At present, the GCC effect on external policies is taking these forms: joint GCC purchases of essential, commonly imported items, joint approach to regional development assistance, negotiating as a group with GCC trading partners, namely the EEC, the U.S., and Japan, and joint positions and representations in multilateral institutions.”⁵⁷ In these ways, the disparate nations of the Gulf took great strides to unify their efforts on economics. The GCC’s investment unity program would shift the production of goods to where they could be more efficiently produced, thus lowering the overall cost.

Additionally, in the context of financial resources and infrastructure, the GCC member states remained poised to trigger and consolidate further development opportunities.

Although the economic implications of the Iran-Iraq War lessened as markets adjusted to the initial trauma, the economic integration created by the GCC nevertheless provided lasting positive effects for the Gulf States, primarily in terms of oil production and infrastructure. For the United States, these developments helped streamline the process of investments and trade between the Gulf States and the U.S. while helping to align the Gulf interests with those of Washington.

Saudi Arabia also seemed eager to ensure the survival of this new economic organization. In all the factors contributing to the unity of the GCC, the Kingdom remained as an outlier, and this threatened to complicate the process considerably. As

⁵⁶ John Christie, “History and Development of the Gulf Cooperation Council: A Brief Overview,” *Arab Affairs* 18 (September 30, 1986): 1.

⁵⁷ John A. Sandwick, *The Gulf Cooperation Council: Moderation and Stability in an Interdependent World*, (Boulder, CO: Westview Press, 1987), 81.

stated before, the Kingdom of Saudi Arabia enjoys significantly greater landmass, oil reserves, and military capabilities than the other GCC members. As such, it had the capability to throw its weight around in the regional arena. Nevertheless, Saudi Arabia's sheer size did cause a few problems within the GCC. "Lingering intraregional disputes and fears of Saudi hegemony on the part of the smaller member-states have hampered progress towards security cooperation, which has lagged behind economic integration."⁵⁸ The Peninsula Shield force and the Saudi domination of its leadership initially worried some of the smaller GCC States, but these fears lessened as the Iran-Iraq War continued throughout the decade.

Meanwhile, the financial differences of the GCC also could have threatened the efforts at unity. Khalid Idris pointed this out in 1986: "The current attempts by the GCC countries to coordinate their industrial effort is hampered by the very structure of their economies, their varying fortunes, external trading and business dealings, and internal programs of socioeconomic development."⁵⁹ The primary country responsible for these differences was Saudi Arabia.

Despite these differences, Laiq argued in 1986 that Saudi Arabia had gone to great lengths to prevent itself from overpowering the other Gulf States in this pseudo-union. He stated that Saudi Arabia followed a deliberate policy of underplaying its views by never pushing its opinions or its interests too forcefully or too openly onto its partners in the GCC. In its early years, the GCC remained a fragile organization, and overt dominance by one nation or another could have seriously undermined attempts at unity

⁵⁸ Kristian Ulrichsen, "Internal and External Security in the Arab Gulf States," *Middle East Policy* 16, no. 2 (2009): 41.

⁵⁹ Khalid H. Idris, "The Gulf co-operation Council (GCC): Industrial co-operation in 'A Gulf of Difference,'" *GeoJournal* 13, no. 3 (1986): 245.

and derailed the GCC's progress.⁶⁰ Although the Gulf States may initially have been concerned with overwhelming Saudi influence as suggested previously, Laiq felt that the exact opposite held true. At the time, Saudi Arabia had over 21 million square kilometers of land, \$70 billion of the total external GCC reserves of \$200 billion, eighty-five thousand of the total of 201,000 military personnel, and was accepted as the dominant power in the GCC. Nevertheless, it had taken care to avoid being seen as the dominating power.⁶¹ Throughout this time, Saudi Arabia allowed numerous concessions to the smaller states in the name of establishing the unity of the organization. One concession was Saudi Arabia's sacrifice of oil revenues for the greater GCC good. Until 1985, Saudi Arabia quietly allowed GCC partners like Oman, Qatar, and the UAE to undercut Saudi sales in the world oil spot market and to keep up their oil production levels while Saudi Arabia actually lost revenue by restricting its oil production.⁶² Saudi Arabia had taken hits before to help stabilize the oil market, especially after the initial fallout from the Iran-Iraq War. Furthermore, Saudi Arabia gave up several prestigious national projects to avoid hurting the interests of GCC partners. In one such example, the Kingdom dropped plans to build a large aluminum smelter at Jubail as this would likely have cut into the economic viability of the existing plant in Bahrain.⁶³ This effort showed a clear policy by the Kingdom to put some of the interests of the other Gulf States ahead of its own. Thus by staying its hand in taking advantage of the weaker states, Saudi Arabia helped clear the road for the unifying efforts of the GCC to commence. In turn, the United States appreciated Riyadh's willingness to foster unity of purpose and streamline economic

⁶⁰ Laiq, "The Gulf Cooperation Council: Royal Insurance," 1559.

⁶¹ Ibid., 1559.

⁶² Ibid., 1559.

⁶³ Ibid., 1559.

cooperation throughout the Arab Gulf States. Saudi Arabia's cooperation in this regard further strengthened the confidence of the U.S. in Saudi economic stability, and thus the economic relationship further solidified. The cooperation and unity fostered by the formation of the GCC was put to its ultimate test with the escalation of the Iran-Iraq War in the latter half of the decade and its expansion into Gulf shipping lanes.

The Tanker War

Just after nine on the evening of May 17th, 1987, an Iraqi Mirage F-1EQ fired two Exocet class missiles into the side of the *USS Stark* in the Persian Gulf about eighty-five miles northeast of Bahrain. The resulting explosion cut a fifteen foot hole in the side of the ship, severely damaging the frigate and killing thirty-seven of the crewmembers on board. "The loss of thirty-seven American lives suddenly transformed the growing U.S. commitment in the Gulf from a low-level political-military activity into a major American political crisis."⁶⁴ Although the attack came from a supposedly friendly ally, the incident highlighted the growing difficulty of the situation in the Persian Gulf as the United States attempted to protect the oil tankers and ensure their safe passage through the Gulf. During this period, the U.S. had been engaged in several operations to protect tankers, and their efforts to reinforce Gulf economic security helped strengthen the relationship between the United States and its Gulf allies, particularly Kuwait and Saudi Arabia. Nevertheless "while the Iraqi attack was unintentional, it sparked a whole series of debates over the U.S. role in the Gulf, U.S. defense capabilities, and U.S. relations with Saudi Arabia."⁶⁵ Missile attacks, predominantly from Iran despite the

⁶⁴ Cordesman and Wagner, *The Lessons of Modern War*, 289.

⁶⁵ *Ibid.*, 289.

aforementioned attack on the Stark, were not the only threats to oil production and transport that Iraq and the Gulf states had to face during this time. When Iran and Iraq began attacking oil tankers in the Gulf to undercut the other's economic viability, the United States began working on the Iraqi side to provide escort and reflagging services to 'friendly' tankers. Iran further complicated the situation through a concerted mine-laying effort in the Gulf, which the United States could not immediately counter. Additionally, attacks on oil pipelines and refineries further undercut Iraqi and Iranian oil capabilities. Despite these destabilizing events, Saudi Arabia quickly stepped in to help offset their effects and ease concerns within the oil market. This, coupled with the clear show of United States' support in the form of military protection, helped strengthen and solidify the U.S.-Saudi Arabian economic relationship.

The escalation of the war to attacks on tankers proved intolerable for the United States. "It was Iran, not Iraq, which was making the most important changes in the tanker war. Iraq's attacks on the shipping in Iranian waters led Iran to go beyond harassing shipping moving to and from Saudi Arabia and Kuwait. Iran shifted to direct attacks on ships."⁶⁶ The United States took these developments as a clear sign that the vital oil tankers loading at Kuwait, Saudi Arabia, and the rest of the Gulf were no longer safe. None of these nations possessed an adequate defense system to deter this threat, and soon the Gulf nations began asking for direct assistance from the United States Navy to secure the future of the U.S.-Gulf economic relationship.

The United States first received a formal request for tanker protection from Kuwait. On January 13th, 1987, Kuwait asked the U.S. Embassy if they would receive U.S. Navy protection if they reflagged their ships to fly the U.S. flag. Kuwait also

⁶⁶ Cordesman and Wagner, *The Lessons of Modern War*, 271.

informed the U.S. that it had previously received an offer from the USSR to provide this protection.⁶⁷ Looking to show its support for its Gulf allies, as well as maintain the flow of oil, the U.S. agreed. “On March 7th, the U.S. informed Kuwait that it would protect all eleven of the tankers. Kuwait tentatively accepted this offer three days later. Kuwait signed a formal reflagging agreement with the U.S. on April 2nd, 1987.”⁶⁸ Known as Operation Earnest Will, the reflagging operation involved significant detachments of the navy’s Central Command force as well as the Seventh Fleet. Saudi Arabia also provided some support in the effort. Saudi Arabia had set up an air defense system at the beginning of the Tanker War known as the Fahd Line. This line extended far beyond Saudi territorial limits into the middle of the Gulf. Saudi Arabia announced that its recently purchased F-15s, guided by U.S. E3A AWACs, would engage any aircraft threatening Gulf shipping.⁶⁹ Working together, the U.S. and Saudi Arabia helped to greatly reduce Iran’s threat to the Gulf oil economy.

However, this operation involved some inherent risk. In addition to the threat of missile and aircraft attacks from Iran, Gulf shipping also faced the serious threat of Iranian mines. Thus, the U.S. encountered a large variety of threats that it could only partially deal with. Iran had access to a deadly array of different mines and kept in its possession both surface mines and bottom mines. Some mines only became active after a fixed time period while others were activated only after several ships or minesweepers passed by. The U.S. could not determine with certainty the exact mine capabilities of Iran, but assumed that Iran maintained a stockpile of contact, magnetic, acoustic, bow

⁶⁷ Ibid.,277.

⁶⁸ Ibid., 279.

⁶⁹ Ibid.,195.

wave, pressure, temperature, and possibly remote-controlled mines.⁷⁰ At the outset of the reflagging and protection operation, these dangers quickly became apparent. The United States had concentrated too much on the threat of missiles from Iran and neglected the possibility of mine attacks.⁷¹ On July 24, the *Bridgeton* struck a mine in the Gulf, severely damaging the ship. The resulting explosion produced no injuries, but the event served as a sobering wake-up call to the likelihood of mine attacks. The U.S. initially experienced a number of difficulties in ridding the Gulf of mines. Without enough demining ships to successfully clear the area, the U.S. employed the service of British mine clearing vessels. The pace was slow and it took several months for the Iranian mine threat to diminish. Despite other incidents of U.S. ships hitting mines in the Gulf, the tanker operation commenced with relatively few incidents.

Overall, the Tanker War proved largely successful in securing the Gulf shipping lanes. The operation allowed oil and cargo shipping in and out of the area to remain relatively unaffected by the chaos of the Iran-Iraq War, while further damaging the Iranian oil economy. “As for the overall intensity of the Tanker War, some fifty-three vessels were damaged in the first five and a half months of 1987, compared with 107 attacks in 1986.”⁷² Most of these ships only sustained minor damage, while Iranian shipping suffered from resulting counterattacks throughout the year. Because of these victories, the Tanker War did not cause significant damage to oil exports from the region. Other attacks on oil production in the Gulf proved to be more effective. Although there have been many cases when oil exports were decreased or temporarily cut by these attacks, any significant decreases in oil supplies were more often the result of the

⁷⁰ Ibid., 297.

⁷¹ Ibid., 298.

⁷² Ibid., 292.

bombing of oil facilities than attacks on tankers. It is fair to say that attacks on oil tankers caused only short-term decreases in oil flow.⁷³ Whatever the effects of the Tanker War on oil production, the U.S. commitment to Gulf economic security through the reflagging operation, and Saudi support for this action, further strengthened the U.S.-Saudi economic relationship by demonstrating the willingness of the United States to risk soldiers and equipment in protecting and maintaining the economic status quo.

Ultimately, the economic, industrial, and population losses of nearly eight years of fighting finally began to catch up with the aging Ayatollah and his government. On August 20th, 1988, Iran formally accepted the cease-fire of United Nations Security Council Resolution 598 that had been drafted years earlier. The success of the Tanker War in addition to the declining economic situation of Iran helped push the nation to finally accept the cease-fire as the Iraqi military began making its first major gains in years. Despite the large loss of life and great economic strain of eight years of war, neither side enjoyed meaningful gains and only ended up weaker than when they began. Although the cease-fire formally ended hostilities between Iran and Iraq, peace in the region would remain out of sight for some time. Just as the lingering economic effects on the oil market of the Iran-Iraq War began to fade away, Iraq invaded Kuwait in 1990. Here again, the United States and Saudi Arabia showed their resolve to prevent the possibility of lasting economic damage brought about by the systematic destruction of Kuwait's oil wells. Both nations also expressed significant concern that Iraqi forces would continue their invasion into Saudi Arabia. The eastern provinces of the Kingdom hold both a large Shi'i population and a substantial percentage of the country's petroleum

⁷³ Akihiko Nishiyama, "The Impact of the Iran-Iraq War on the Oil Market," *Journal of Arab affairs* 7, no. 1 (1988): 101.

reserves. Both Washington and Riyadh feared Saddam would attempt to incite Shi'i violence and make a move to control the vast Saudi oilfields. Fortunately, the Iraqi military refrained from continuing their offensive. The forces of the United States with the support of the Gulf nations quickly expelled Saddam Hussein's military from Kuwait and worked as quickly as possible to stem the damage to Kuwait's economy. In this way, Saudi Arabia and the remaining GCC nations continued to solidify their economic relationship with the United States forged in part through the events of the Tanker War and the greater oil-related events of the 1980s.

Summary: Economics in the 1980s

In all, the U.S.-Saudi economic relationship remained strong throughout the decade. Although several events threatened to undermine its development, both nations remained committed to ensuring good relations. Regarding the flow of oil, the United States showed a clear commitment to maintaining the stability of shipping lanes in the Gulf during the Iran-Iraq War, and the Saudis provided critical support for this operation. Both nations eased the transition of Aramco to complete Saudi ownership, and the Kingdom poured large amounts of capital into mitigating the economic damage caused simultaneously by the Iran-Iraq War and declining oil prices. Finally, the Saudis remained committed to continuing the sale of oil to the United States even in the face of Arab condemnation following Egypt's peace treaty in the Camp David Accords.

Economically, both nations engaged in large-scale investment programs with each other. The United States invested heavily in Saudi infrastructure and built up Saudi technology, while the Kingdom welcomed hundreds of American firms into the region to

spur its economic growth. Organizations such as SAMA and deals like those agreed upon under the Joint Commission created numerous opportunities for economic planning and diversification. Additionally, the formation of the Gulf Cooperation Council worked to unify the Arab Gulf States with regard to economics and security, which allowed U.S. economic operations in the region to progress smoothly. As such, despite often difficult political relations between the two states, friendly economic practices and the constant flow of oil between the United States and Saudi Arabia continued to mark the highlight of the U.S.-Saudi relationship.

This working economic relationship allowed for greater cooperation in other aspects of the U.S.-Saudi Arabian alliance as well. Economics formed the basis of cooperation, and when security threats both internal and external began to worry Saudi Arabia and its neighbors, the United States was quick to offer support. The controversial arms sales during the late 1970s and early 1980s often became tangled up in the concerns of economics, yet the ever-present importance of Gulf oil ensured that these sales would continue unabated. Furthermore, when the Soviet Union invaded Afghanistan, the economic cooperation between these countries created a useful precedent in aiding the resistance forces. The next chapters examine such considerations.

CHAPTER 2

SECURITY THREATS AND ARMS SALES IN THE U.S.-SAUDI RELATIONSHIP

If the economic relationship between the United States and Saudi Arabia formed the foundation of strong relations between the two countries during the 1980s, the security relationship was the one that constructed the bridge between them. Saudi Arabia faced many perceived and actual threats in the late 1970s and early 1980s, which all threatened to upend the status quo of the rule of the House of Saud. External threats such as the spread of Soviet influence and ‘communism’ in nations like Ethiopia and South Yemen, and the rise of a militant Shi‘i regime across the Persian Gulf, seemingly threatened to destabilize the entire region and engulf the Kingdom in a costly war for the survival of its state. The Soviet invasion of Afghanistan likewise created a growing sense of Soviet encirclement of Saudi Arabia and its oil reserves. Internal threats from both Sunni and Shi‘i radicalism brought about concerns of a violent overthrow of the House of Saud and the sabotage of the Kingdom’s oil production facilities. Any one of these developments would have had disastrous consequences for both the U.S. and Saudi Arabia, especially in terms of slowing or stopping Saudi oil production. The administrations in Washington and Riyadh deemed such a possibility unacceptable. In response to some of these earlier threats and the events of the previous decades, the U.S.

began offering to sell significant arms packages of fighter jets to the Saudis while ramping up its investment in Saudi military infrastructure. The completion of these arms sales in the face of a significant backlash from officials concerned for Israeli security further strengthened the U.S.-Saudi relationship at a time of turmoil in the region. In all, the United States invested significant resources into ensuring the continued existence of the House of Saud in the Kingdom, and its actions in the face of numerous threats underline the U.S.'s commitment to the U.S.-Saudi security relationship.

External Threats to the Kingdom

Throughout the decade, several external threats coalesced to characterize the U.S.-Saudi security relationship. The violent overthrow of the Shah of Iran and the installation of its Shi'i government greatly worried Riyadh as it grew concerned that the United States would abandon the Saud family during a crisis just as it had the Pahlavi family. The Soviet invasion of Afghanistan and the possible encirclement of U.S. allies in the Gulf worried both Washington and Riyadh greatly, as had earlier Soviet expansions into Ethiopia and South Yemen. Around this same time, tensions escalated again in South Yemen, and the Kingdom briefly became concerned at the establishment of a unified Moscow-aligned state on its porous southwestern border. The outbreak of the Iran-Iraq War threatened to destabilize the entire region, and the conflict made Saudi Arabia and other Gulf nations much more amenable to direct U.S. military assistance. Finally, while tensions with Israel and conflicts such as the invasion of Lebanon created a setback in relations, this was overshadowed by the perceived looming encirclement threat posed by the Soviets on Saudi Arabia and the Gulf.

As the situation in Iran deteriorated throughout 1978 and large-scale protests against the rule of Reza Shah Pahlavi expanded across the country, the United States began to back away slowly from supporting its long-time ally. Previously, the policy of the United States had been one of wholehearted support for the tyrannical rule of the Shah. Ever since Operation AJAX, the covert CIA mission to overthrow the democratically elected Mohammad Mossadegh in 1953, the United States had kept a vested interest in its Persian friend. The Twin Pillar Policy, as it came to be known, looked to Iran and Saudi Arabia as the two regional actors that could fill the vacuum of power left by the departure of the British from the region in 1972.¹ This policy greatly served American interests in the area, and by the early 1970s, the United States had come to regard the Gulf region as vital to its national security interests. While Saudi Arabia provided the largest share of Gulf oil, Iran was free to act as the policeman of the region, building up arms and keeping in check the growth of powers that would run counter to U.S. and Iranian interests. After the Islamic revolution in Iran, the United States abruptly and dramatically lost one of its strongest allies in the region, and the establishment of a staunchly anti-American government in Iran made the Twin Pillar Policy obsolete.² In the days preceding the fall of the Shah, Washington quickly began pulling its support for the Iranian regime and refrained from intervening on behalf of the Pahlavi family.

Such a sudden abandonment of Iran's monarch deeply troubled the Saud family. If large-scale uprisings occurred against King Khalid, would the United States step in and intervene, or simply watch the monarchy fall? The U.S. set out to remedy the situation

¹ David E. Long, *The United States and Saudi Arabia: Ambivalent Allies*, (Boulder, CO: Westview Press, 1985), 55.

² Rosemarie Said Zahlan, *The Making of the Modern Gulf States: Kuwait, Bahrain, Qatar, the United Arab Emirates, and Oman*, (Unwin Hyman: Ithaca, 1998), viii.

by establishing a new Saudi-centered policy for the Gulf region. Proponents of strong U.S.-Saudi relations argued tirelessly in favor of increased defense ties to prevent the Kingdom from meeting a similar fate as Iran.³ Both Washington and Riyadh now looked to replace the Twin Pillar Policy by ramping up U.S. defense commitments to the Kingdom, and by beginning to develop a Rapid Deployment Force (RDF) as part of this action.⁴ Though the RDF failed to effectively take off, the commitment shown to Saudi Arabia through this action and continued arms sales, which will be examined later, helped ease the fears of Saudi abandonment. The fall of the Shah also led U.S. officials to seek out support from other influential regional powers such as Pakistan, Turkey, and Iraq.⁵ Nevertheless, the U.S. commitment to Saudi security overshadowed the concerns of any of the other regional powers.

One immediate threat posed by Iran to the Kingdom and the Gulf was Iran's long-standing claim to the island of Bahrain. Bahrain and Saudi Arabia enjoyed a close relationship as the island sits only twenty-five miles from the Saudi mainland. The radical government of Iran now began to focus attention on the Gulf States. Bahrain was particularly important to Iran because of ancient Iranian claims to sovereignty over the island and because of Bahrain's large Shi'i population. Tehran launched a massive series of radio broadcasts calling on all Shi'is of Bahrain to overthrow their rulers. Revolutionary Iran was adamant about exporting the revolution to its neighboring countries and the Islamic Republic also issued similar calls to Shi'i populations throughout the Gulf, specifically in the Shi'i populated regions of Qatif and al-Hasa in

³ Long, *Ambivalent Allies*, 3.

⁴ *Ibid*, 124.

⁵ Thomas G. Paterson et al., *American Foreign Relations: A History Volume II*, 5th ed. (Boston: Houghton Mifflin Co, 2005), 282.

Saudi Arabia. Additionally in 1979, the Ayatollah Khomeini revived Iran's claim to Bahrain and mentioned the possibility of annexing the country.⁶ It became obvious to the Gulf States and the U.S. that Iran looked to gain a larger share of regional hegemony. Yet, some American policy officials remained optimistic, and many took solace in the fact that Iran remained ardently anti-Soviet as well as anti-American.⁷ Nevertheless, the expansion of Soviet influence in the region created a whole new set of concerns for the U.S.-Saudi relationship.

The United States and Saudi Arabia viewed the seemingly ever-expanding influence of the Soviet Union in the Middle East as a troublesome external threat to the Kingdom during this time. Even before the invasion of Afghanistan, Soviet influence in the region worried the Kingdom. The Horn of Africa was another area where Saudis nervously watched the growth of Soviet influence. In 1964, Somali president Siad Barre had developed close relations with the Kremlin.⁸ Even more alarming, in April 1967, Ethiopia invited the U.S.S.R. into the country and welcomed nearly fifteen thousand Cuban troops. For the first time, the Soviets held a strong position in the Horn of Africa, and it seemed to be only a matter of time before Ethiopia and South Yemen forged political and military links.⁹ Adding to this trouble, support for anti-Soviet forces in Somalia became a point of contention for the U.S. and Saudi Arabia. When the U.S. refused to supply arms to Somalia until Somali troops had withdrawn from the Somali-populated Ethiopian territory of Ogaden, the Saudis were stunned.¹⁰ Despite this setback,

⁶ Zahlan, *The Making of the Modern Gulf States*, 62.

⁷ Paterson et al., *American Foreign Relations*, 282.

⁸ Long, *Ambivalent Allies*, 123.

⁹ William B. Quandt, *Saudi Arabia in the 1980s: Foreign Policy, Security, and Oil*, (Washington DC: Brookings Institution Press, 1981), 44.

¹⁰ *Ibid*, 45.

further communist developments in Africa and the Arabian Peninsula underscored the need for greater U.S.-Saudi cooperation.

One such development occurred in South Yemen. An openly communist state, the People's Democratic Republic of Yemen had been keeping close relations with the Soviet Union since the rise of the National Liberation Front in 1970. South Yemen was a relatively weak, but highly reliable ally to the Soviets that had the potential to seriously undermine Saudi Arabia's much-enjoyed hegemony in the Gulf by supporting internal opposition and separatist movements within the Kingdom.¹¹ Saudi Arabia's close relationship with North Yemen helped make the situation more bearable, but tensions often escalated to violence between the two Yemens, which further worried the Kingdom. The threat to Saudi security created by conflicts such as the North Yemen Civil War years earlier had underscored how far Riyadh still had to go in terms of regional security.¹² Though North and South Yemen remained on relatively good terms, violence erupted in 1979 between the two states as negotiations for the unification of the two countries experienced setbacks. Growing increasingly cautious of the unstable situation in North and South Yemen, Saudi Arabia once again looked to the United States for assistance.

Saudi intervention in Yemen was nothing new. The outbreak of the North Yemen Civil War in 1962 saw the overthrow of Imam al-Badr. The Kingdom went on to supply al-Badr and his royalist forces with support during their fight, but ultimately had to provide refuge for the Imam once his war effort fell apart. Though Riyadh's royalist camp had lost the war, it continued to provide support to bring the new Republican

¹¹ Francis Fukuyama, *The Soviet Threat to the Persian Gulf*, (Santa Monica, CA: The Rand Corporation, 1981), 14.

¹² Long, *Ambivalent Allies*, 41.

government closer to its interests. By the 1980s, the country had recognized the growing threat of South Yemen's communism and set to work developing its modest military capabilities to deal with threats from that quarter.¹³ Part of this involved the sale of F-15s to the Kingdom, but the Saudis also looked to provide assistance to North Yemen in case a protracted war broke out against the South. The United States and Saudi Arabia worked closely on this project. The Saudis financed large deliveries of weapons for the North, while the United States accelerated the transfer of these arms.¹⁴ This sort of behavior became typical in the tumultuous 1980s; meanwhile, developments in Afghanistan grew even more troublesome.

The Soviet invasion of Afghanistan had an even more dramatic impact on the Kingdom than it had on the United States. With the Saudis sitting on massive oil reserves and with no very substantial army to protect the oil fields, the slow encroachment of the Soviets worried both governments. The royal family became convinced that once the Red Army established positions a few hundred miles from the Kingdom, the master plan for the Soviets would then call for a move on the Saudi oil fields.¹⁵ Such a move would spell disaster for both the Saudis and the United States; such a wealthy, powerful, and geographically vast nation falling under Soviet influence could easily mark the end of American power in the Gulf. This interpretation seems to be an exaggeration and misperception of Soviet motives, as such an action would have almost certainly sparked a direct conflict between the two superpowers. Still, Kremlin secrecy

¹³ Quandt, *Saudi Arabia in the 1980s*, 22.

¹⁴ Long, *Ambivalent Allies*, 62.

¹⁵ George Crile, *Charlie Wilson's War: The Extraordinary Story of the Largest Covert Operation in History*, (New York: Atlantic Monthly Press, 2003), 237.

made it nearly impossible to know with any certainty the intentions of Soviet actions.¹⁶ A report in 1981 from Francis Fukuyama titled “The Soviet Threat to the Persian Gulf” underscored the severity of the perceived Soviet intentions. He stated, “It is likely that the dominant mode of Soviet expansion will continue to be the aggressive exploitation of developments internal to the Persian Gulf, either in the form of interstate conflict or intrastate instability.”¹⁷ In response to this, the United States set about drawing a clear picture of the U.S. commitment to Gulf security.

One January 24, 1980, the president proclaimed the beginning of the Carter Doctrine. It stated that an attempt by any outside force to gain control of the Persian Gulf region would be regarded as an assault on the vital interests of the United States. The Doctrine further elaborated that such attempts would be repelled by the use of any means necessary, including military force.¹⁸ This statement offered a very clear understanding of the United States’ commitment to Gulf security. It served not only to reassure the Saudis and other regional powers of U.S. support, but also provided a clear warning to the Soviet Union and Iran that intervention in American interests in the region constituted an act of war. Thus, the period from 1979 to 1990 was characterized by regional instability, and the Soviet threat and other regional problems forced Riyadh and Washington into closer cooperation on various strategic areas. By the close of the decade, the two countries remained greatly interconnected on these matters, to the advantage of both nations.¹⁹ As much as the invasion of Afghanistan troubled the two

¹⁶ Steve Coll, *The Bin Ladens: An Arabian Family in the American Century*, (New York: Penguin Press, 2008), 246.

¹⁷ Fukuyama, “The Soviet Threat to the Persian Gulf,” 2.

¹⁸ Paterson et al., *American Foreign Relations*, 291.

¹⁹ Naif Bin Hethlain, *Saudi Arabia and the US since 1962: Allies in Conflict*, (London, Saqi Books, 2010), 117.

nations, recent developments close to home would also create an obvious and direct threat to Saudi external security in this decade.

When Saddam Hussein's tanks rolled across the border into Iran, the entire Gulf region became pulled into the maelstrom of conflict. The Iran-Iraq War, initiated in September 1980, pitted two massive Gulf powers against one another in a bid for regional hegemony. The war quickly affected oil prices and threatened to shut down shipping lanes in the Gulf, as seen in the previous chapter. There was great concern that the conflict would spill outside Iran and Iraq and envelope other regional powers, particularly Saudi Arabia, bringing them all into a ground conflict. This, coupled with the threat of Iranian domination in the Gulf, were it to succeed in laying waste to Iraq's infrastructure, led the United States, Saudi Arabia, and its Gulf allies to begin supporting Hussein.²⁰ The war also convinced Saudi Arabia to rethink its modest acceptance of U.S. military support. The regional threats of the early 1980s, Iran-Iraq in particular, made the Saudis more amenable to increased direct military cooperation with the U.S. Likewise, Washington became more sympathetic to supporting the continued arms requests made by the Saudis.²¹

Countries throughout the world quickly began taking sides in the Iran-Iraq War. Iraq enjoyed massive direct financial contributions from its immediate neighbors who viewed Iran as the greater threat. Saudi Arabia and Kuwait provided between twenty-five and \$50 billion in financial grants and loans, while Egypt and Jordan provided weapons

²⁰ Jawid Laiq, "The Gulf Cooperation Council: Royal Insurance against Pressures from within and Without," *Economic and Political Weekly* 21, no. 35 (1986): 1555.

²¹ Long, *Ambivalent Allies*, 64.

and supplies at critical moments throughout the war.²² The United States supported Iraq through substantial financial credits and minor naval support, while France extended over \$5 billion in loans to help finance Iraq's military equipment. Even the Soviet Union played a role in supporting Iraq by engaging in large-scale arms transfers to the warring nation.²³ Iran also received marginal support in the war effort, but remained somewhat isolated compared to its more heavily backed Arab neighbor. States as diverse as Libya, the People's Democratic Republic of Yemen, Algeria, Syria, and even Israel provided aid or concessional arms sales as well.²⁴ Like many nations forced to take sides in this conflict, Israel based its justification for support on backing the lesser of two perceived evils. Though Israel became a main target of the new Islamic Republic's anti-Western rhetoric, Saddam Hussein's virulent threats toward it worried Israel more. As such, Israel saw Iran as far less likely to engage it militarily. Nevertheless, Iran only enjoyed marginal support from its allies in the region compared to Iraq's support, with Syria refraining from providing direct military support to Iran by opening up a two front war in Iraq. Still, the looming security threat caused by the Iran-Iraq War would continue to worry the Kingdom and its allies for most of the remainder of the 1980s.

The U.S.-Saudi security relationship was put to the test following several developments with Israel in the early 1980s, but the looming external threat of Soviet encirclement overshadowed these concerns. In June 1982, Israel invaded southern Lebanon in response to the increasingly deteriorating situation of the Lebanese civil war. Violence had escalated to rocket attacks from southern Lebanon into Israel and an

²² Anthony H. Cordesman and Abraham R. Wagner, *The Lessons of Modern War. Vol. 2, The Iran-Iraq War*, (Boulder, CO: Westview Press, 1996), 5.

²³ Ibid, 5.

²⁴ Ibid, 5.

assassination attempt by on Israeli ambassador Shlomo Argov by the Abu Nidal terrorist group, an offshoot of the Palestine Liberation Organization. Arabs from all classes and levels of society knew of the U.S. involvement in supporting Israel and that Israel was utilizing American arms and aircraft to attack Lebanon. As such, relations with the Arab world grew tense as many Arabs held the view that America served as a silent partner in the Israeli invasion.²⁵ Given the U.S. support to Israel in previous conflicts such as the 1973 War, Arab governments began to question the U.S. commitment to its non-Israeli allies. Furthermore, the Reagan administration's unwillingness to enforce several U.S. laws violated by Israel during the conflict brought relations to a new low.²⁶ Recent Saudi overtures to Israel made U.S. support even more troubling. Saudi leaders had openly supported two peace plans with Israel, the most significant being the Fahd plan for its conditional recognition of Israel.²⁷ Announced by then Crown Prince Fahd in August 1981, this eight-point plan had the potential to create a comprehensive settlement of the Israeli-Palestinian conflict.²⁸ Though the plan never came to fruition, it represented an apparently viable Saudi effort at making an overture to a nation that had been seen as an antagonist for decades. As such, the Saudis resented U.S. support for Israel in the Lebanon invasion, but this resentment was greatly outweighed by the continuing perception of encirclement by the Soviet Union and the external threats to Saudi security that had developed at the turn of the decade. Ultimately, the desire to maintain the U.S. commitment to protection against these threats led Saudi Arabia to a grudging acceptance

²⁵ Joseph C. Story, *U.S.-Arab Relations: The Economic Dimension*, (Washington, D.C.: National Council on U.S.-Arab Relations, 1985), 20.

²⁶ *Ibid*, 20.

²⁷ Gawdat Bahgat, "Nuclear Proliferation: The Case of Saudi Arabia," *Middle East Journal*, 60, no. 3 (Summer, 2006): 429.

²⁸ Long, *Ambivalent Allies*, 124.

of the actions of the United States with regard to Lebanon.²⁹ This development highlights the progress made in U.S.-Saudi relations since the 1973 Arab-Israeli War, and the importance that external security threats played in realizing and understanding this progress.

In short, Saudi Arabia faced several external security threats during the late 1970s and 1980s. In Iran, the new Islamic Republic looked to challenge the Kingdom as the dominant power in the region while attempting to claim nearby Bahrain for its own. The spread of Soviet influence in the Horn of Africa and Yemen worried Riyadh, as did the Soviet invasion of Afghanistan. These developments combined to create a growing sense of Soviet encirclement of the Arabian Gulf. The Iran-Iraq War brought regional instability and conflict directly to Saudi Arabia's doorstep, with violence threatening to spill over into the entire Gulf region. Finally, the importance of U.S.-Saudi cooperation vis-à-vis external security was highlighted in the Israeli invasion of Lebanon in 1982 and Saudi complacency with U.S. policy towards other Arab nations. In addition to these external threats, Saudi Arabia also faced significant internal threats that seemed to threaten the monarchy and the House of Saud. Throughout the late 1970s and early 1980s, several internal threats would coalesce to provide even more insecurity to Saudi administrative officials.

Internal Threats to the Kingdom

The rising tide of religious violence in the 1970s and 1980s reached a threshold of great concern for the Gulf monarchies, particularly Saudi Arabia. Both Sunni and Shi'i extremism affected the royal family as several major incidents brought into question the

²⁹ Ibid, 35.

country's internal security. Sunni violence was often fueled by anti-American and antiauthoritarian sentiments, resulting in several major incidents at the turn of the decade. In Saudi Arabia, Wahhabi inspired religious violence culminated in the 1979 incident at the Grand Mosque in Mecca. Salafi violence in Egypt fueled the assassination of Anwar Sadat in 1981. Shi'i inspired violence resulted in assassination attempts against the Bahraini royal family, uprisings in the al-Hasa and Qatif regions of Saudi Arabia, and a tense relationship with Iran created after an incident at the Hajj in 1987. Though most of these attacks were blamed on Iranian subversion, the lower social standing of Shi'is and institutionalized discrimination against them may also have been to blame. Regardless of motive, these events worried the government in Riyadh throughout the 1980s, and increased the sense of Saudi internal insecurity.

Saudi Arabia's strong alliance with the United States provided unprecedented benefits for the Kingdom, but these benefits had a price. While allying with America served Saudi security concerns greatly, this alliance paradoxically exposed the regime to domestic criticism and condemnation both for the presence of the American military in the region, and the friendly relationship between the U.S. and the royal family.³⁰ Many Saudi citizens pointed to the hypocrisy that the royal family of such an avowedly religious state could maintain close ties to a secular nation. Contrary to its self-proclaimed reputation of national stability, Saudi Arabia has had a history of outbursts against the royal family brought on in part because of this alleged contradiction.³¹ The royal family knew that maintaining its image as the champion of Islamic orthodoxy was

³⁰ Bahgat, "Nuclear Proliferation," 438.

³¹ Laiq, "The Gulf Cooperation Council: Royal Insurance," 1553.

the key to long-term regime survival and attempted a campaign in the late 1970s to promote this image.

The beginnings of this campaign had begun decades earlier in the 1920s when the Saudi family looked with some apprehension upon the ascendancy of the Muslim Brotherhood in the Arab world. By 1979, the royal family made an attempt to channel the growing religious revival throughout the Arab world in order to maintain their own legitimacy.³² King Fahd and his brothers started to accommodate the demands of the country's Islamist groups by vastly increasing the budgets of these groups, vying for stricter gender separation, and increasing the level of media censorship.³³ This aggressive turn to state-sponsored religious revival soon became difficult to control, and in any case, such measures did little to address concerns over Saudi closeness with the United States. As such, some puritanical groups in the Kingdom still regarded the royal family as corrupt and un-Islamic.³⁴ Two significant incidents of Sunni violence at the turn of the decade would highlight this growing discontent.

One such event occurred at the Grand Mosque in Mecca in November 1979. On the 20th of November, the first day of the year 1400 in the Islamic calendar, a group of around 225 Islamic militants under the command of Juhayman al-'Utaybi stormed the Grand Mosque during the ceremonies for the annual Hajj. They took hundreds of hostages and declared that al-'Utaybi's brother-in-law, Mohammed Abdullah al-Qahtani, had arrived as the Mahdi (redeemer) of the Islamic faith. Such a pronouncement differs from traditional Wahhabi beliefs that generally do not place a strong emphasis on the

³² Rachel Bronson, *Thicker than Oil: America's Uneasy Partnership with Saudi Arabia*, (New York: Oxford University Press, USA, 2006), 148.

³³ Coll, *The Bin Ladens*, 231.

³⁴ Laiq, "The Gulf Cooperation Council: Royal Insurance," 1554.

Mahdi concept. The militants made numerous demands such as the end of the Saudi monarchy, the removal of all foreign workers in the country, and an end to oil exports to the United States. After nearly two weeks of intense fighting, Saudi and French military forces finally took back the mosque and the event ended with over two hundred civilians and militants dead.³⁵ With such a profoundly violent event occurring at Islam's holiest site, the Saudi family began to realize the internal security problem caused by growing Islamic extremism.

The man behind the revolt, Juhayman al-'Utaybi, belonged to the large and powerful 'Utayba tribe of Saudi Arabia. This tribe had gained prominence in the Kingdom by helping the Saudi family consolidate its power in the 1920s and 1930s. Al-'Utaybi and his band of several hundred followers were motivated by a strong desire to restore the perceived purity and essence of Islam as embodied by the first Islamic community at Medina.³⁶ They believed that this event would be the catalyst that would allow others to join their cause in overthrowing the Saudi monarchy. As such, the incident called upon the tradition of Wahhabi revolt against corrupt rulers to instigate this monumental change.³⁷ The event profoundly shook the Saudi royal family and demonstrated a massive intelligence failure as the government was taken completely by surprise. However, some warning signs had appeared before that fateful day in 1979. In the previous year, the 'ulama had urged the political authorities to consider lighter punishments for several religious zealots arrested for inciting violence against the government.³⁸ This event could have served as a warning sign for the Saudi government,

³⁵ Quandt, *Saudi Arabia in the 1980s*, 94.

³⁶ Zahlan, *The Making of the Modern Gulf States*, 130.

³⁷ Laiq, "The Gulf Cooperation Council: Royal Insurance," 1554.

³⁸ Quandt, *Saudi Arabia in the 1980s*, 88.

but growing discontent with the royal family and religious revivalism continued unchecked.

In addition to shaking the Saudi sense of security, the event also had a measured effect on the international prestige of the Kingdom, creating a series of stories and rumors throughout the Arab world of growing instability in Saudi Arabia.³⁹ The violent process of clearing out the Grand Mosque also caused discontent as such bloodshed created a negative image of Saudi military action. Western backers also grew worried about the continued viability of the Saudi government following the event. The Grand Mosque seizure provided evidence for the existence of serious revolutionary activity in the Kingdom, while also serving to help negate the claim that the Saudis would bypass the social and religious problems experienced by the Pahlavi family in Iran.⁴⁰ In response, the Saudis looked to the United States for continued support and for assurances that Washington would not let Riyadh go the way of Iran if incidents like this escalated. However, this action also had the possibility of increasing antigovernment violence. If Fahd embraced Reagan's ideas and priorities too openly, he could create further discontent among the Kingdom's Islamic activists.⁴¹ Luckily for him, no further incidents occurred on the scale of the Grand Mosque seizure, but the perceived looming threat of Sunni Islamic militancy remained. The seriousness of this threat became pronounced once again two years later in Egypt.

The assassination of Anwar Sadat in October 1981 deeply troubled the leaders of the Middle East. When the Egyptian president was gunned down during a parade commemorating the crossing of the Suez Canal in the 1973 Arab-Israeli War, few could

³⁹ Ibid, 95,96.

⁴⁰ Fukuyama, "The Soviet Threat to the Persian Gulf," 15.

⁴¹ Coll, *The Bin Ladens*, 246.

ignore the concerning effects of growing Islamic militancy, least of all the Saudi royal family. The Egyptian branch of the Salafi group Islamic Jihad claimed responsibility for the attack and cited Egypt's recent peace settlement with Israel as one of the biggest motivators for this action. As such, Sadat's demise raised important questions regarding the extent to which an Arab government should go in cooperating with the United States and attempting to negotiate with Israel.⁴² Saudi Arabia's obvious connection with the U.S. placed it in a precarious position with increasingly radicalized individuals. King Khalid had not made large peace overtures to Israel as Sadat had, but his close and personal relationship with the U.S. administration meant that he could end up a target of such attempts as well. Though Islamic Jihad was not closely affiliated with al-'Utaybi's movement in Mecca, Saudi officials still worried that this event signaled a continued rise in Sunni extremism, which threatened to end or severely disrupt the continued reign of the House of Saud.

In addition to Sunni Islamic violence, Saudi Arabia and the Arab Gulf states also faced internal security threats from the growing tide of Shi'i' Islamism. Shi'i' motivated events such as the uprisings in Hasa and Qatif, an assassination plot against the Bahraini royal family, and the violent events of the 1987 Hajj demonstrated the threats that seemed to be enveloping the entire Gulf region. With the recent rise of the Islamic Republic in Iran, Saudi officials often blamed these violent incidents of Shi'i' discontent on Iranian subversion. Though some Iranian involvement may have occurred, poor economic conditions and government policies that tended to favor Sunnis over Shi'is may also have been to blame. Regardless of the role of the Iranian government in these events, this new avenue of discontent caused great concern for the Kingdom and its allies.

⁴² Quandt, *Saudi Arabia in the 1980s*, 8.

One of the first concerning events after the Iranian revolution was an uprising that took place in the oil-rich regions of Qatif and al-Hasa in Saudi Arabia. The population of these regions is predominantly Shi‘i, and is regarded by many Saudi Arabian officials as the “Achilles Heel of the Kingdom” following the violent overthrow of the Shah in Iran.⁴³ Leaders of prominent Shi‘i groups marched in large public demonstrations on the holiday of ‘Ashura, which commemorates the day of Shi‘i martyrs and Husayn ibn ‘Ali in particular. Rioting ensued throughout the province and at least seventeen people died and thousands were arrested before Saudi police could restore order to the area.⁴⁴ The incident occurred around the same time as the seizure of the Grand Mosque in Mecca, and these uprisings provided an immediate shock to the Saudi sense of internal security.

The Qatif and al-Hasa uprisings seem to have had two major causes. The first, argues Laiq, was Iranian subversion and manipulation of the majority Shi‘i population. He contends that the Shi‘is in this region were inspired by the Iranian Revolution and encouraged by its rhetoric of exporting Islamic revolution throughout the world. There were strident calls on Radio Tehran insisting that all pious Muslims must break the ban on Shi‘i religious holidays by marching in religious processions on the holiday of Ashura.⁴⁵ Iran was known for its efforts to export the revolution through Shi‘i populations throughout the Middle East, but these calls for uprising coincided with another major factor of unrest. Shi‘i resentment had been growing in Saudi Arabia’s eastern province for years as a result of shrinking water resources and failed water systems in the Qatif and al-Hasa oases. When combined with the Kingdom’s strict ban

⁴³ Zahlan, *The Making of the Modern Gulf States*, 131.

⁴⁴ Ibid, 131.

⁴⁵ Laiq, “The Gulf Cooperation Council: Royal Insurance,” 1554

on Shi'i religious holidays, the conditions were just right for violence to occur.⁴⁶ These two factors, Iranian subversion and Saudi disregard for the religious rights and well-being of the Shi'i minority, likely combined to spark the uprisings in 1979. Whatever the causes, the events sent a clear message to the government in Riyadh that growing unrest could seriously threaten the country.

Other events that occurred outside the borders of the Kingdom in the 1980s likewise highlighted growing internal insecurity, particularly in Bahrain. The Kingdom of Bahrain is in the precarious position of having a Sunni dominated royal family that presides over a Shi'i majority population. This resentment has ignited tensions several times in the country's history, and Iranian claims to sovereignty over the small island nation only make matters worse. Shi'i resentment of their rulers in Bahrain culminated in an attempt to overthrow the al-Khalifa royal family that ruled over Bahrain. The Bahraini government discovered this plot in December 1981, just two years after the Shi'i uprisings in Qatif and al-Hasa. By the end of the official investigation into the attempt, the government had tried and convicted seventy-three people, of whom sixty were Bahraini nationals.⁴⁷ The plot seemingly also had some indications of Iranian intervention. The instigators were all Gulf Arabs, and some had received military equipment from Iran while others underwent military training in the Islamic Republic, according to government reports.⁴⁸ A particularly disturbing group came to light as the primary group responsible for the assassination attempt, according to the Bahraini government. The coup revealed the alleged existence of a group known as the Islamic

⁴⁶ Kristian Ulrichsen, "Internal and External Security in the Arab Gulf States," *Middle East Policy* 16, no. 2 (2009): 50.

⁴⁷ Laiq, "The Gulf Cooperation Council: Royal Insurance," 1555.

⁴⁸ Zahlan, *The Making of the Modern Gulf States*, 63.

Front for the Liberation of Bahrain. This organization, which the Bahraini government claimed was headquartered in Tehran, supposedly sought to initiate the creation of an Islamic Republic in Bahrain and install a personal representative of the Ayatollah Khomeini in the country.⁴⁹ Whether Bahraini claims of this group's responsibility were accurate or not, the effect remained the same. Within days, Bahrain signed a mutual security pact with Saudi Arabia to help prevent future occurrences. Though the assassination attempt did not directly target the House of Saud, it once again highlighted a growing trend of discontent that proved difficult for the Saudis to ignore.

Towards the end of the decade, unrest again began to show itself on the Saudi doorstep. Another series of violent events in Mecca, this time involving Shi'i pilgrims, erupted on July 31, 1987. Angry demonstrations broke out as Iranian pilgrims to the Hajj assembled near the Grand Mosque to lead a protest against the United States, the Soviet Union, and Israel.⁵⁰ In the ensuing chaos, nearly 450 people were killed as Saudi security forces attempted to disperse the protest. The incident once again embarrassed the Custodian of the Two Holy Mosques as the site of the Hajj became the scene of bloody carnage for the second time in less than a decade. The Iranian government reacted swiftly, condemning the attacks and formally boycotting the Hajj. In addition, relations between Saudi Arabia and Iran plummeted to new lows as the two countries severed diplomatic relations with one another.⁵¹ The event once again underscored the possibility that the Kingdom's Shi'i minority could cause serious threats to the country's internal security. Officials in Riyadh noticed no warning signs of impending unrest, just as they had been caught completely unprepared for the seizure of Mecca years earlier. All in all,

⁴⁹ Ibid, 63.

⁵⁰ Ibid, 157-158.

⁵¹ Bahgat, "Nuclear Proliferation," 430.

the event served to break nearly five years of relative calm in Shi'i unrest in the Kingdom, reminding the Saudis of their ever-present threat to internal security.

These events, the uprisings in Qatif and al-Hasa, the attempted overthrow of the Bahraini monarchy, and the violent protests in Mecca, all combined to create a growing sense of Shi'i threats to Saudi security. Though the newly Islamic Iranian government may have played a part in fanning the flames of Shi'i unrest, the rhetoric of exporting the Islamic Revolution to every country in the Middle East from Ayatollah Khomeini may well have also created a Saudi overestimation of Iranian involvement and subversion. Still, the lower-class status of Shi'is in Saudi Arabia and Bahrain, along with poor infrastructure in the Shi'i dominated areas, likely also played a part in fueling unrest. Whatever the motivators of this unrest, both Shi'i and Sunni uprisings and assassinations in the 1980s created clear threats to Saudi and Gulf security.

Arms Sales to Saudi Arabia

These earlier internal and external security situations, in addition to the lessons learned from previous Middle East conflicts over the decades, fostered the development of a much greater U.S.-Saudi security commitment. Saudi military development had expanded quickly during the 1970s, but the worsening security situation in the Gulf led the Kingdom to believe that its current military capacity was severely lacking.⁵² As such, Saudi Arabia embarked on a series of arms sales and development programs with the United States in the late 1970s and early 1980s that helped bring the two countries closer together. During this period, the U.S.-Saudi security relationship focused on two critically important arms sales that many Saudis viewed as a "litmus test" of the

⁵² Long, *Ambivalent Allies*, 55.

relationship.⁵³ The sale of F-15 fighter jets to Saudi Arabia and the accompanying package of enhancement features and airborne warning and control system (AWACS) aircraft encountered significant opposition from many members of Congress, particularly those who were concerned the arms sale would pose a threat to Israel's national security. The completion of the arms sale thus provided a clear sign to Saudi Arabia of America's commitment to Gulf security, and military development provided through the U.S. Army Corps of Engineers further demonstrated the strength of the U.S.-Saudi relationship. The first major development in the U.S.-Saudi arms sales was the plan to sell American F-15 fighter jets to the Kingdom. Despite previous arms purchases and large projects of military construction in the preceding two decades of the 1960s and 1970s, Riyadh believed that its military strength was not of a sufficient level of preparedness to repel any serious attacks against the Kingdom. King Fahd, whose strong commitment to the United States formed a critical part of the U.S.-Saudi relationship, responded to violent developments around the region by deepening the protective alliance between the two nations.⁵⁴ Both the U.S. and Saudi Arabia found compelling reasons to choose the F-15 fighter as their weapon of choice in this sale. The Saudis had desired an improved air superiority fighter for some time, while the U.S. welcomed the Saudi purchase of F-15s as a way to lower the overall cost of the aircraft.⁵⁵

Riyadh began pressuring Washington to approve the sale of F-15s to the Kingdom, but this quickly developed into a political battle between supporters of the Saudi Arabian arms sales and those worried about Israeli security. The role of Congress in this matter revolved around its ability to block the appropriation of funds for the sales

⁵³ Ibid, 60.

⁵⁴ Coll, *The Bin Ladens*, 246.

⁵⁵ Long, *Ambivalent Allies*, 60.

being championed by the Carter administration. When the request first reached the congressional floor for approval in early 1978, it was met with fierce opposition from those concerned at the possibility of Saudi aggression against Israel. Though many U.S. security officials began calling for the sale of advanced fighters as early as 1974, opponents of the arms sales began painting the proposed transfer as a spontaneous move to appease the Kingdom.⁵⁶ Furthermore, many officials in the United States worried that such a move could give the Saudis the upper hand in a hypothetical armed conflict between the Kingdom and Israel. Though such a conflict seemed a remote possibility, it nevertheless had a dramatic effect on the end result of the Saudi F-15 sale.

The Carter administration worked overtime to ensure the smooth passage of the Saudi arms sale. As a result of fierce opposition, administration and defense officials began negotiating for several major concessions to the sale in an attempt to appease its critics. They sought to overcome opponents of Saudi F-15s by promising the sale of fifteen more F-15s to Israel to compensate for the Saudis newfound aerial strength. Furthermore, the administration placed significant limitations on the adaptability of the Saudi fighters. As is typical in U.S. sales of military hardware, the weapons being offered were never the most powerful in the American arsenal and would likely have proved no match for the stronger Israeli weapons. They omitted critical avionics that hampered maneuverability and eliminated the so-called “hard spots” along the airframe, which would make future upgrades for attack missions nearly impossible.⁵⁷ These limitations were designed to ensure the air superiority of Israeli fighters over the proposed Saudi F-15s, but opponents of the sale demanded further restrictions on the

⁵⁶ Ibid, 60.

⁵⁷ Ibid, 60.

Saudi fighters. Many of these restrictions highlight the fear of Saudi offensive strikes against Israel, including a restriction on any bomb racks that could be used to facilitate ground attacks, a moratorium on all long-range fuel pods for Saudi fighters, and the elimination of all but three sections on the planes that could later be converted to launch ground attacks. The Saudis also made an implicit promise that they would not base any of these planes near or north of Tabuk in northwestern Saudi Arabia.⁵⁸ As the largest air force base in the country and the closest base to Israel, the concession that the Kingdom would station these planes far from Tabuk and along the southern and eastern borders helped assure opponents of the sale that Israel would remain outside the maximum strike range of the new Saudi fighters. These limitations, which Defense Secretary Harold Brown reiterated in a letter to Congress in May 1978, finally enabled the administration to defeat the move to disapprove of the sale.⁵⁹ The official motion to deny the sale failed on May 15, 1978, and the United State and Saudi Arabia passed a major test of each other's security commitments.

Both nations came away from the deal feeling positive about the direction of U.S.-Saudi relations, but each side viewed the win in a different way. For Riyadh, the sale had the psychological effect of providing a significant morale boost to the relationship, and seemed almost as significant to some Saudi officials as the military equipment itself. The sale demonstrated to the Saudis that they could rely upon the United States to protect Saudi interests in the Gulf, even in the face of staunch opposition by Israel. The Saudis believed this sale would pave the way for a policy of

⁵⁸ Ibid, 61.

⁵⁹ Ibid, 61.

evenhandedness between the United States and its Arab allies.⁶⁰ On the other side of the deal, the United States took a more cynical approach to the meaning of the sale. Officials in Washington seemed to view the sale as a way to obtain more concessions out of the U.S.-Saudi relationship. In their opinion, they could now count on Riyadh to provide more concessions in return for American “generosity” in facilitating the F-15 sale.⁶¹ The success of the F-15 sale paved the way for further arms sales a few years later. This second test of the U.S.-Saudi relationship sought to build upon the successes of the previous negotiations between supporters and opponents of increased Saudi military capabilities.

Several critical events had transpired since the first round of arms sales and discussions on the next round of U.S.-Saudi military purchases. Among others previously mentioned, the Iranian Revolution, the Grand Mosque incident, and the Iran-Iraq War, all combined to make both the Saudis and Americans more eager to continue the progress of the 1978 F-15 sales. The Iran-Iraq War especially hastened this development. The Saudis expressed considerable appreciation when the White House announced that, in response to the myriad problems that developed following the Iran-Iraq War, it intended to move ahead with the sale of the Air Defense Enhancement Package that the Saudis had expressed interest in earlier. In addition to upgrades on the existing F-15s already sold to the Kingdom, this package included five E-3A AWACS reconnaissance aircraft, several air-to-air missiles, and several KC-135 air-to-air refueling tankers.⁶² Such equipment could provide support for the United States in its mission to

⁶⁰ Ibid, 62.

⁶¹ Ibid, 62.

⁶² Ibid, 64.

ensure Gulf oil security following the outbreak of the war, and Saudi Arabia also intended to use AWACS to monitor the situation with Yemen on its southern border.

This second round of arms sales followed a similar pattern as the first round. Again intense opposition from congressional officials concerned about the security of Israel voiced their disapproval with the Reagan administration's moves and threatened again to pass a motion of disapproval for the sale. Proponents of the sale argued that the sale of the enhancements package and AWACS aircraft would prove vital to restoring Saudi faith in the U.S. commitment to regional security in the wake of the Iran-Iraq War and to restoring American credibility as a reliable military partner.⁶³ This Congressional battle became more intense than the original F-15 sale, and officials in the Reagan administration battled fiercely with Democrats who opposed the possibility of increased Saudi military capability. In the end, the personal intervention of Reagan and the Republican leadership in the Senate prevented Congress from blocking this sale.⁶⁴ Thus the U.S.-Saudi relationship had overcome another difficult hurdle, and Reagan's personal efforts to ensure the success of the sale greatly reassured the Saudis that the United States remained committed to its regional security.⁶⁵ Both nations put the equipment in these sales to good use, as Saudi Arabia utilized its AWACS planes to help the U.S. maintain the availability of shipping lanes in the Persian Gulf. While these arms sales helped strengthen the U.S.-Saudi security relationship at a time of unrest in the region, the long-standing support and development of the Saudi military infrastructure on the part of the United States also played a critical role in the relationship.

⁶³ Ibid, 63.

⁶⁴ Ibid, 65.

⁶⁵ Ibid, 66.

In addition to arms sales, the U.S. and Saudi Arabia fostered a close partnership in ensuring Saudi security through investment in the Kingdom's military bases, in which the United States Army Corps of Engineers played a crucial role. Towards the end of the 1970s, the Kingdom's military construction totaled nearly 60 percent of the value of its military sales to the U.S.⁶⁶ The Corps of Engineers had played an active role in the Kingdom since 1965, and managed construction efforts related to this new set of investments. American policy makers saw this development as a means both to supplement continued investment in U.S. contractors and to increase America's political influence in the Kingdom. Much of this investment money took the form of petrodollars from the United States. Saudi Arabia would receive these funds and then recycle them back to the U.S. in exchange for arms and military development.⁶⁷ This cycle of investment money began to build up, and by 1980 the Saudis had planned or begun construction on over \$20 billion in projects through the Corps of Engineers.⁶⁸ While many of these projects were designed specifically for use with Saudi Arabia's military, some projects intended to create a direct working relationship between the U.S. and Saudi militaries.

Over the course of the 1980s, both the American and Saudi militaries would become increasingly cooperative, even to the point of establishing military bases with the express purpose of welcoming a U.S. military presence. King Fahd had negotiated with Washington to build massive military bases in the Kingdom that would permit the United

⁶⁶ John P. Miglietta, *American Alliance Policy in the Middle East, 1945-1992: Iran, Israel, and Saudi Arabia*, (Lanham, MD: Lexington Books, 2002), 217.

⁶⁷ Long, *Ambivalent Allies*, 55.

⁶⁸ Quandt, *Saudi Arabia in the 1980s*, 52.

States to deploy forces in the region quickly and easily should a crisis arise.⁶⁹ This action was due in part to the response of the outbreak of the Iran-Iraq War. Just after the Iraqi invasion into Iran, President Carter announced the establishment of the Rapid Deployment Force in the Gulf and committed the United States to working with this force to protect the Gulf oil states. In short, the Saudis would move to turn their country into a forward operating base for American military forces.⁷⁰ Should violence spill over into the borders of the Kingdom or other Gulf nations, the United States could theoretically move in quickly to protect oil reserves and population centers throughout the region. While some of these facilities involved above-ground supply centers, the Saudis also initiated underground facilities where they could store and preposition weapons and ammo for any American-led intervention in the region.⁷¹ In addition to supply centers, these developments would lead to the establishment of large bases intended for joint military use.

One of the largest such bases instigated by the Corps of Engineers at this time involved a military encampment near the Iraqi border. This military base, known as King Khalid Military City, cost nearly \$8 billion and was designed to house a population of up to seventy thousand soldiers and civilians.⁷² The Saudis designed the project to serve as a large staging point for any possible U.S.-led joint intervention in the Middle East. The Corps and its subsidiary contractors completed the city in 1987 towards the end of the Iran-Iraq War. Though it saw little use during the Iran-Iraq War, it served its purpose as a critical staging point for United States military forces during the liberation of Kuwait in

⁶⁹ Coll, *The Bin Ladens*, 246.

⁷⁰ Crile, *Charlie Wilson's War*, 237.

⁷¹ *Ibid*, 237.

⁷² Quandt, *Saudi Arabia in the 1980s*, 52.

the 1991 Gulf War. It housed several thousand American soldiers and served as one of the most important air bases during the conflict. Such close U.S.-Saudi military cooperation emphasized the strength of the U.S.-Saudi relationship and how far the U.S. would go in protecting Saudi security during these trying decades.

As we have seen, throughout the 1970s and 1980s, the United States invested heavily in Saudi security, and Riyadh proved more than willing to recycle its petrodollars back into the American military economy. The difficult fight to secure Saudi purchases of F-15s, enhancements, and AWACS showed the deep commitment of the Carter and Reagan administrations to Saudi security even in the face of seemingly competing Israeli national interests. Saudi Arabia felt appreciative of the effort of the two U.S. administrations in facilitating these sales, and the U.S. likewise believed it could use this goodwill to cash in a favor or future concessions on international issues. The 1980s also saw an increased interdependence of the U.S. and Saudi militaries. With the help of the U.S. Army Corps of Engineers, the two countries built military bases and supply centers to welcome American troops in the event that a U.S.-led intervention in the area would be needed. These developments highlight the strong commitment of the United States to Saudi and Gulf security in the 1980s.

Summary: Security in the 1980s

In sum, Saudi Arabia faced a plethora of growing threats to its security in the late 1970s and early 1980s. Riyadh feared either direct military escalation or ideological communist subversion from a range of external sources, including a new adversary in Iran, which had become increasingly hostile following the beginning of the Iran-Iraq

War, and several growing bastions of Soviet influence in Ethiopia and South Yemen. The Kingdom also feared that these developments, in conjunction with the Soviet invasion of Afghanistan, signaled the desire of Moscow to increase its influence in the Middle East. Additionally, the Saudis feared a series of internal threats mostly brought on by Islamic religious extremism. There had been violent acts from Sunni groups such as the seizure of the Grand Mosque in Mecca and the assassination of Anwar Sadat combined with Shi'i violence in Qatif and an assassination attempt on the Bahraini royal family to create a feeling of uneasiness in the House of Saud. If such acts succeeded either in overthrowing the royal family or assassinating some of its key members, the future of the Saudi state and its massive oil reserves would hang in the balance.

The Saudis responded to the difficult situation in the Middle East by turning to the United States to meet its security needs. In 1978, the previous decades of conflict in the Middle East encouraged the U.S. and Saudi Arabia to complete a massive sale of F-15 fighter jets. The proposal for the sale encountered stiff resistance from those congressional officials who feared that this development would undermine the security of the state of Israel, but the sale went through as planned. Following many of the significant events described in this chapter, the two nations followed up their original arms deal with a sale of enhancement features to the previous F-15 fighters and several AWACS reconnaissance planes. Here again, the U.S. administration went to great lengths to ensure Congress could not block the agreement, and the Saudis expressed their gratitude for this effort. Finally, the U.S. and Saudi Arabian militaries grew closer together in the 1980s as development projects from the U.S. Army Corps of Engineers provided bases for joint military action. These bases and supply centers would serve

their purpose in the First Gulf War, with the United States utilizing its position in the Kingdom to launch aerial attacks at Iraqi targets in Kuwait.

The gains made between the two countries as a result of these security threats and arms sales strengthened the U.S.-Saudi relationship tremendously. While economic ties allowed the two nations to work towards a common goal of security and stability in the Gulf, security ties provided the tools needed to help ensure the realization of this goal. When the Soviets launched their invasion of Afghanistan in late 1979, both nations began looking to each other to combat what they viewed as the growing spread of communism in the Middle East. What evolved from the discussions between these two nations in light of the situation in Afghanistan was a deliberate effort to undermine the Soviet military through the use of the country's indigenous fighters. The close cooperation of Washington and Riyadh in this mission, which will be examined next, would likely have been impossible without the previous gains in the U.S.-Saudi relationship in the areas of economics and security.

CHAPTER 3

THE UNITED STATES, SAUDI ARABIA, AND SOVIET RESISTANCE IN THE 1980s

At the beginning of the 1980s, the United States and Saudi Arabia enjoyed a close working relationship that had been fostered by decades of economic and security cooperation. The threat perceived from communism to the Kingdom allowed both nations to coordinate their foreign policies and covert operations in a way that was mutually beneficial. Throughout the decade, the strong relationship between Washington and Riyadh facilitated a close level of cooperation in dealing with the threat of the spread of communism in the Middle East and Africa. Both nations worked together to reinforce resistance movements against Soviet-sponsored governments throughout the region in places such as Ethiopia and South Yemen. However, by far the largest such operations took place in Afghanistan. With the help of Pakistan, the United States and Saudi Arabia embarked on an ambitious program to arm and fund the primary resistance movement in Afghanistan, known as the mujahidin.

The first major Red Army divisions of the invasion force crossed into Afghanistan from the neighboring Soviet Union states of Turkmenistan and Uzbekistan in late 1979. They deployed in response to several official requests for Soviet military assistance in suppressing the rebellions that had been spreading throughout the country during the

previous several months. Russia had been involved in Afghan affairs since 1947, but more formal control arrived after the Saur Revolution on April 28, 1978. In this violent coup, leaders of the communist People's Democratic Party of Afghanistan (PDPA) stormed the presidential palace of Mohammad Daoud Khan, killing Daoud and most of his family. They installed Nur Muhammad Taraki as the head of the socialist Democratic Republic of Afghanistan (DRA), and the government began promoting atheism and carrying out a series of land-reform programs. The PDPA fostered close connections with the Soviet leadership in Moscow, while the government's new reform policies began rallying the discontented population into open rebellion. Religious groups such as the Jamiat Islami solidified as the most organized of these resistance movements, and many similar religious organizations joined forces to become the mujahidin.

Both the American and Saudi administrations held similar interests with regard to the future of Afghanistan. Each believed that if the country were to remain a Soviet stronghold, it would begin to pose a serious threat to the monarchies of the Persian Gulf. While the Saudis feared that their very existence as a nation would come under threat, the U.S. worried it might lose a strong ally, wealthy arms trader, and critical supplier of petroleum. With hindsight, the likelihood of large-scale Soviet mobilizations to the Persian Gulf seems far-fetched, but the perceived threat of communist encroachment nevertheless rallied both countries into action. As the situation in Afghanistan deteriorated and Soviet troops began pouring across the border, the U.S., Saudi Arabia, and others began a bold campaign to arm the primary resistance movements throughout the country. For Washington, this support involved millions of dollars in funding and arms transfers to the mujahidin, in addition to covert CIA operations designed to mask

the source of this support. Saudi Arabia played a critical role in repackaging these arms, while also embarking on fund raising and religious recruitment efforts of its own. Throughout the war, both countries relied upon the Pakistani government as an indispensable ally in providing a staging point for covert operations and for its assistance in funneling weapons and agents across the border. These operations in Afghanistan, and similar support for communist resistance in Ethiopia and Yemen, helped push the Soviets to draw down their involvement in the Middle East and Africa by the end of the decade. In all, the close working relationship between the U.S. and Saudi Arabia in these endeavors proves the strength of the U.S.-Saudi relationship and their commitment to mutual security in the 1980s.

American Support for the Mujahidin

Looking first at the United States, its assistance to the Afghan fighters took several forms over the decade. The United State supported the mujahidin through large-scale programs that supplied funding and weapons to the resistance. Officials in Washington worked closely with Saudi Arabia and Pakistan to provide weapons, ammunition, and other war supplies to the Afghan insurgents. During the first half of this conflict, these weapons primarily took the form of Soviet-made guns and assault rifles. When the Reagan administration's policies shifted in 1984, a new program of supplying powerful Stinger anti-air missiles began, turning the tide of war decisively in favor of the mujahidin. Weapons transfers required the assistance of both the Saudi Arabian and Pakistani governments in order to maintain the secrecy of America's involvement. Furthermore, these large-scale weapons programs required substantial funding. As such,

the United States brokered a program with the Saudi Arabian government to share these costs. What resulted from this was a funding program where Riyadh matched Washington's monetary contributions dollar-for-dollar. Through weapons and funding, the United States upheld its commitments to the joint U.S.-Saudi Arabian program to support the Afghan resistance.

Immediately after the outbreak of the Soviet-Afghan War, the United States had already begun working to undermine the Soviet military. Only a few days after the Soviet invasion, President Carter signed and approved a new directive drafted by his National Security Adviser Zbigniew Brezinski that recommended the United States immediately begin covertly supplying lethal weapons to the mujahidin.¹ The plan called for these weapons to travel to Saudi Arabia and Pakistan and through its porous border into Afghanistan, with the intent to conceal the involvement of the American government. With the Soviet military fully engaged in Afghanistan, the program was designed to harass the Soviet forces and draw them into a protracted conflict with an insurgent force. Most in the administration initially believed that such harassment was all the unorganized rebels could accomplish against the Soviets in the first few years.² With the directive approved, the administration quickly set about to the task of supporting the mujahidin. The administration dubbed the program Operation Cyclone.

Carter's efforts to arm the insurgents, along with Reagan's continuation of this program, signaled a critical shift in administration policy that became solidified in the Reagan Doctrine. This policy advocated the continued support for anticommunist

¹ Charles G. Cogan, "Partners in Time: The CIA and Afghanistan since 1979," *World Policy Journal* 10, no. 2 (Summer, 1993): 76.

² Alan J. Kuperman, "The Stinger Missile and U.S. Intervention in Afghanistan," *Political Science Quarterly* 114, no. 2 (Summer, 1999): 221.

fighters around the world, but through more indirect means than those used in previous decades. It emphasized military action through allies, proxy fighters, and paramilitary groups in order to prevent the mass of American casualties experienced in previous campaigns such as Korea and Vietnam. In other words, the United States would covertly organize others to fight conflicts in place of American soldiers.³ Interestingly, the early stages of the Soviet-Afghan War saw the U.S. working to force the Soviets into the exact sort of costly military position the Americans hoped to avoid vis-à-vis the Reagan Doctrine. Zia ul-Haq, President of Pakistan for most of the conflict, explained to CIA director Bill Casey in 1982 that the strategy should be to, “keep the pot boiling,” which meant to arm the mujahidin only enough for them to harass, but not defeat, the Soviets.⁴ American officials explained this phenomenon in a similar fashion of making Afghanistan the Soviet version of Vietnam. The plan worked perfectly, as the Soviets soon had to substantially escalate their involvement in Afghanistan.

Throughout these early years, officials in Washington saw signs of progress in the Afghan war effort. By 1984, Afghan rebels had killed or wounded at least seventeen thousand Soviet soldiers and controlled roughly 62% of the Afghan countryside. With the Red Army tripling their deployments, they lost up to four hundred aircraft, eight thousand trucks, and spent nearly \$12 billion to defeat the mujahidin.⁵ The strategy of prolonging the Soviet invasion appeared to be working, though the combat potential of the Afghans still had critical weaknesses. The mujahidin’s air defenses remained underdeveloped during these early years. They were limited in their attack potential,

³Thomas G. Paterson et al., *American Foreign Relations: A History Volume II*, 5th ed. (Boston: Houghton Mifflin Co, 2005), 294.

⁴ Kuperman, “The Stinger Missile,” 225.

⁵ Steve Coll, *Ghost Wars: The Secret History of the CIA, Afghanistan, and Bin Laden, from the Soviet Invasion to September 10, 2001*, (New York: Penguin Press, 2004), 89.

only having access to machine guns and small numbers of Soviet SA-7 and Surface-to-Air Missiles obtained from defecting army soldiers.⁶ These unreliable weapons allowed the Soviets to maintain air superiority throughout these early years. Despite this considerable advantage, the tenacious ground forces of the mujahidin began to wear down the effectiveness of the occupying military by the middle of the decade.

The prolonged conflict in Afghanistan had begun to take its toll on the Soviets. By 1985, the Red Army estimated that it had lost nearly ten thousand men. Towards the end of that year, Washington officials began to see evidence that the both the Soviet army and public sentiment in Moscow were growing tired of continual warfare. The year 1985 would signify a dividing point in the war, as it began to appear likely that the Soviet military would slowly be compelled to cut its losses and leave Afghanistan.⁷ They judged that the administration would likely refrain from increasing its commitment to the Afghan conflict with enough force to expand the conflict beyond Afghanistan's borders.⁸ With this development in mind, the Reagan administration became less concerned about maintaining the secrecy of the arms-supply operation, and looked to a sizeable escalation in support of the rebels to drive the Soviets from Afghan territory. Formally, the shift in the administration's policy began with the signing of National Security Directive 166 in March 1985. Directive 166 altered American involvement from covert arms-supplying to active support, and authorized assistance to the insurgents by "all means available."⁹

This new strategy sought to compel a complete Soviet withdrawal rather than a protracted campaign of harassment, and the U.S. began to abandon the pretense of hiding

⁶ Kuperman, "The Stinger Missile," 221.

⁷ Cogan, "Partners in Time," 76.

⁸ Kuperman, "The Stinger Missile," 227.

⁹ Ibid.

its support. By 1986, the mujahidin began receiving increased arms shipments, satellite reconnaissance, secure communications lines, and other forms of U.S. intelligence assistance to help target Soviet military installations throughout the country.

Additionally, American agents started providing demolitions expertise to facilitate the destruction of these sites.¹⁰ However, one of the largest contributions to the expansion of Operation Cyclone was the provision of Stinger antiaircraft missiles to the Afghan rebels. U.S. officials began noticing the devastating effects of attacks from Soviet helicopters on resistance fighters and civilians, and senators like Orrin Hatch and Charlie Wilson began pushing for the U.S. to provide them with a weapon to counter this threat. Hatch helped persuade president Zia to formally request President Reagan for Stinger missiles, and within months the administration began to ship both Stinger and Sidewinder missiles to Pakistan.¹¹ Upon arrival in Afghanistan, the missiles had a devastating effect on Soviet air-superiority. Roughly two months after the deployment of Stingers, the Soviet Politburo had established a deadline to withdraw troops from the country and slowly began to draw down its involvement in Afghanistan.¹²

The beginning of the arms supply program caused controversy within the administration at first. Senior diplomats and State Department officials raised objections that providing American-made weapons to the resistance for the purpose of killing Soviet soldiers had the potential to upset superpower relations with the Soviets. They feared that areas of higher priority, like nuclear arms control, could face serious setbacks if the Soviets knew of America's involvement in the Afghan conflict.¹³ In response, the

¹⁰ Ibid.

¹¹ Ibid, 229.

¹² Ibid, 220.

¹³ Ibid, 224.

administration devised a program to conceal the source of the mujahidin's success by giving them Soviet-made weapons such as the AK-47 and Lee Enfield rifles, and sending them through intermediaries. Saudi Arabia played a critical role in this process. The U.S. Air Force would ship these war materials to the Kingdom, and then arrange for them to be repackaged to conceal their American origin. Saudi Arabia then used its own cargo planes to send the weapons to Pakistan.¹⁴ From there, arms were smuggled across the border into Afghanistan. In serving as the middle-man for arms transfers, Saudi Arabia greatly aided the United States in its early attempts to maintain operational secrecy. Even after the directive shifted in the middle of the 1980s, the Kingdom maintained its role in redirecting weapons to Pakistan.

The Central Intelligence Agency's program to funnel weapons and money to the mujahidin also required Pakistani support. The official U.S.-Saudi funding operation was channeled through Pakistan with the help of the country's intelligence agency, the ISI. The U.S. attempted to do so at a distance in the early years, not wanting to risk the lives of American operatives or have its role exposed to the world. Throughout the first four years of the war, the CIA tried to minimize its covert operations and direct communication with Afghan fighters. By utilizing Pakistani assistance, the U.S. ensured the secrecy of the operation, while Pakistan benefitted from having more direct control over the distribution of such large allocations of funds.¹⁵ The operation initially faced difficulty in the early years of the war. Relations between Pakistan and the U.S. had been strained in 1979, though the CIA managed to keep some of its covert channels open in

¹⁴ George Crile, *Charlie Wilson's War: The Extraordinary Story of the Largest Covert Operation in History*, (New York: Atlantic Monthly Press, 2003), 217.

¹⁵ Steve Coll, *The Bin Ladens: An Arabian Family in the American Century*, (New York: Penguin Press, 2008), 249.

Islamabad.¹⁶ To make matters worse, Zia forbade the administration from conducting face-to-face meetings between the leaders of the resistance and those on the CIA payroll. To alleviate some these difficulties, the CIA sent Howard Hart to Pakistan as the region's chief of station in 1981. From his post in Islamabad, he ran the agency's clandestine program to arm insurgent fighters across the border, attempting to keep the American presence as invisible as possible.¹⁷ Hart travelled to Peshawar in Pakistan to coordinate with resistance fighter Abdul Haq.¹⁸ Despite Hart's personal efforts, the CIA's relationship with leaders such as Haq was tenuous throughout the decade. Haq quickly rallied his fighting force and served as a critical liaison between the CIA, MI6, and regional stations in Kabul, but there were few guarantees his loyalties would remain once the Soviets left Afghanistan.¹⁹ These concerns became a reality in later decades after the Soviet departure. Still, Haq and other covert operatives greatly aided the CIA's mission by coordinating and organizing resistance groups into an effective insurgent force. Hart ran the program for three years, funneling vast stockpiles of weapons into the hands of the mujahidin. Ultimately, these armament programs proved successful in helping defeat the Soviet forces, but they also racked up a considerably large bill. As such, the CIA and several congressional senators began looking to both Congress and foreign governments, particularly Saudi Arabia, for support in funding these operations.

Over the course of the decade, both the United States and Saudi Arabia sent hundreds of millions of dollars in military aid and funding to the Afghan rebels. Aid packages often took the form of cash resources, small-arms, assault rifles, ammunition,

¹⁶ Coll, *Ghost Wars*, 44.

¹⁷ *Ibid*, 53.

¹⁸ *Ibid*, 63.

¹⁹ *Ibid*, 54.

and, during the last half of the war, Stinger antiaircraft missiles. Military aid from the United States started out relatively modest at the beginning of the conflict. In 1980, aid packages were estimated at a total of \$30 million, which increased to \$50 million by 1981 and \$140 million in 1984.²⁰ However, Reagan's shift in policy towards Afghanistan and the subsequent transfer of Stinger missiles to the mujahidin greatly increased this cost. Figures shot up to \$470 million in 1986, \$660 million in 1987, and over \$700 million by the end of 1988.²¹ Throughout the funding campaign, the Saudis demonstrated their commitment to Operation Cyclone. Riyadh matched these contributions in a dollar-for-dollar program even as the cost increased dramatically, essentially doubling the power of U.S.-Saudi investments for the Afghan fighters.²² The Saudi assurance of support was highlighted by its willingness to donate these hundreds of millions of dollars without tying any stipulations or conditions upon its use to the U.S. In addition to Saudi Arabia, England and China also contributed significantly to the funding of Operation Cyclone, while China specifically sold and donated weapons to the cause.²³ Money continued to pour into Afghanistan even after the Soviet departure in response to the civil war conditions in the country.

Numerous 'relief and humanitarian groups' sprang up in Washington D.C. to help channel and direct these massive aid donations. These groups became highly active during the first few years of the 1980s. Among the most well-known were the Committee for a Free Afghanistan, American Aid for Afghans, Afghan Relief

²⁰ Anthony H. Cordesman and Abraham R. Wagner, *The Lessons of Modern War. Vol. 3, The Afghan and Falklands Conflicts*, (Boulder, CO: Westview Press, 1990), 20.

²¹ Ibid.

²² Kuperman, "The Stinger Missile," 228.

²³ Cogan, "Partners in Time," 76.

Committee, Freedom House, and the Afghanistan Council of Asia Society.²⁴ These organizations helped pressure Congress to continue funding the Soviet resistance movement and identified critical areas of underdevelopment in Afghanistan that could benefit from receiving a share of the military and humanitarian aid. In addition, the U.S. Agency for International Development took the lead in advising the administration on the best ways to utilize the funding for social and economic development. USAID provided an additional \$30 million in economic aid for Afghanistan and nearly \$10 million in transfers for war surplus materials.²⁵ Many of these organizations worked closely with the U.S. State Department to channel these funds through the agency's covert contacts. Additionally, State Department officials often worked with the Saudis to receive funding for projects to which Congress would likely object.²⁶

Figures such as Gust Avarkotos, Wilson, and Casey contributed significantly to the process of developing and maintaining financial support from Saudi Arabia. Both Casey and Avarkotos travelled to Riyadh to encourage the close rapport between the U.S. and Saudi Arabia. Casey often remarked to the Saudis that the mujahidin were growing stronger every day, continually motivated by the Kingdom's support. In response, King Fahd stated that Riyadh would fulfill its promise of support without asking for anything in return.²⁷ However, as financial commitments to the Afghans increased greatly throughout the decade, the Kingdom began to grow late on its payments. In response, Avarkotos and Casey personally flew to Riyadh to collect the past due payments.²⁸

²⁴ J. Bruce Amstutz, *Afghanistan: The First Five Years of Soviet Occupation*, (Washington D.C.: National Defense University, 1986), 201.

²⁵ Cordesman and Wagner, *The Lessons of Modern War. Vol. 3*, 20.

²⁶ Bob Woodward, *Veil: The Secret Wars of the CIA 1981-1987*, (New York: Simon and Schuster, 1987), 352.

²⁷ Crile, *Charlie Wilson's War*, 341.

²⁸ *Ibid*, 239.

Charlie Wilson also aided the collection effort by consulting with Saudi Prince Bandar bin Sultan, telling him, “Allah will not be pleased if the king abandons his freedom fighters.”²⁹ Later in the decade, Avarkotos also continued to work overtime in ensuring Saudi cooperation. He arranged for the Kingdom’s monetary contributions to be transferred into noninterest earning accounts in order to respect Islam’s prohibition on usury. In response, the Saudis expressed their gratitude and appreciation for the Agency’s sensitivity to religious matters.³⁰ In these ways, the personal efforts of these officials succeeded in reaffirming the Saudi financial commitment to Afghanistan, and reminded the Kingdom of its decades-long relationship with the United States.

Saudi Arabian Support for the Mujahidin

While the United States primarily took the lead in the effort to fund and arm the mujahidin, Saudi Arabia provided a critical complementary role. The Kingdom contributed to the proxy fight in several indispensable ways throughout the decade. Eager to raise its credentials as the pillar of Islamic legitimacy, the Saudis supported the Afghan rebels by raising the banner of holy war in defense of Islam against the aggression of the communist regime. Riyadh also embarked on an ambitious fundraising campaign, establishing charities and utilizing ties with wealthy ruling families to raise the money needed to pay for its dollar-for-dollar matching program with the U.S. Finally, in addition to its previously mentioned role as middle-man in the weapons transfer effort, the country gathered and sent its own weapons stockpiles to the rebels while maintaining critical links with the CIA, Pakistani ISI, and the mujahidin. In these ways, Saudi Arabia

²⁹ Ibid, 240.

³⁰ Ibid, 434.

fulfilled its commitments with the United States as a key partner in the fight against the Soviets.

As Custodian of the Two Holy Cities and guardian of one of the most conservative branches of Islam, the Saudi royal family had more credibility than most to turn the battle between Soviet forces and the Afghan insurgency into a modern holy war. They were aided in this effort by an unlikely former ally, now exiled in Pakistan. A prominent Muslim theologian, Abdullah Azzam had served as lecturer at the King Abdul Aziz University in Jeddah throughout the 1970s. Following the seizure of the Grand Mosque in 1979, Saudi Arabia expelled numerous political and religious figures whom the royal family deemed too radical, including Azzam. From his new post in Pakistan, Azzam issued a detailed fatwa titled “Defense of the Muslim Lands, the First Obligation after Faith.”³¹ In it, he argued that jihad, taken in his definition to mean aggressive armed struggle, constituted a necessary and laudable duty in which all faithful adherents to Islam should participate. The Kingdom in turn acknowledged Azzam’s opinions through Grand Mufti Abd al-Aziz Ibn Bazz. As the foremost religious scholar in the country, his public support for Azzam’s fatwa assisted the Saudis in their recruitment efforts.

One of the most prominent recruiters for the war effort was an avowed student of Azzam. Osama bin Laden, member of the wealthy bin Laden family in Saudi Arabia, became an important source of money and recruitment at the beginning of 1984. Azzam and bin Laden recruited volunteers in universities and madrassas from all over the Arab and Islamic world to fight in Afghanistan. Bin Laden even went so far as to pay for these volunteers to travel to Pakistan and fight in battlefields throughout Afghanistan, with

³¹ Coll, *The Bin Ladens*, 253.

such expenses usually totaling around \$300 each month per person.³² Such recruitment drives brought fresh new fighters to the Afghan front, though their usefulness in defeating the Soviets is debatable. These Saudi teenagers and college students, having spent their entire lives being drilled in Wahhabi Islamic theology, viewed the struggle in Afghanistan as a romantic cause that fueled their youthful idealism. The Kingdom flew them directly on Saudi Airlines flights to Pakistan, where they would often spend only a few days doing humanitarian work or shooting AK-47s into the mountainside as a symbolic act.³³ Other volunteers were more committed to the cause, fighting for months or even years alongside their Afghan counterparts. However, their numbers usually paled in comparison to the larger Afghan fighting forces. Some estimates place their total fighting capacity at no more than two thousand at any given time in the decade.³⁴ Nevertheless, the Saudis continued to emphasize the importance of these fighters in the cause, using their efforts as a way to further their own religious agendas. The United States also appreciated these recruitment drives and looked favorably on them as a demonstration of the Saudi commitment to the cause.³⁵

The Kingdom directly benefitted from its recruitment efforts as the war took some of the pressure off the government following its recent religious embarrassments. Events such as the recent seizure of the Grand Mosque and its heavy-handed response to its subsequent hostage situation left the Saudis feeling uneasy about the growing religious discontent in the country. However, as King Fahd saw it, the Soviet-Afghan War provided a convenient means to deflect this religious anger to matters outside the

³² Coll, *Ghost Wars*, 155.

³³ Coll, *The Bin Ladens*, 254.

³⁴ Lawrence Wright, *The Looming Tower: Al-Qaeda and the Road to 9/11*, (New York: Random House LLC, 2006), 105.

³⁵ Coll, *Ghost Wars*, 155.

Kingdom. As the suffering of the Afghan people became a significant humanitarian cause throughout the Islamic world, the Saudis managed to channel religious discontent with the government into violent action far from Riyadh.³⁶ The Kingdom blessed charitable contributions and volunteer efforts as official government policy, an attempt to bolster the royal family's claims to Islamic legitimacy. Furthermore, the war managed to unite several disparate groups within Saudi society that might otherwise have been focused on agitating for changes in domestic politics.³⁷ Even the Saudi General Intelligence Department benefitted from the conflict. The GID employed the services of the Bedouin royal family, which viewed Soviet communism as a dangerous heresy to the Islamic faith. In response, leading Saudi princes expressed their approval of the joint U.S.-Saudi venture in Afghanistan and gladly assisted the GID in its war effort.³⁸ While religious recruitment drives helped the Saudi government, both as a means of redirecting religious anger and to prove its commitment to the U.S.-Saudi relationship, the royal family also engaged in a series of fundraising efforts to foot the ever-increasing bill of its Afghan support programs.

While the Kingdom's religious recruitment efforts may not have yielded major tactical success for the mujahidin, its funding and charity programs certainly contributed to the victory of the Afghan fighters. Throughout the Soviet-Afghan War, the Kingdom established large charity corporations that were used to support the war effort. Several prominent charities opened up offices in Peshawar to coordinate resistance efforts. These include the Saudi Red Crescent, the Muslim World League, and the International Islamic Relief Organization. These organizations gathered part of the region's annual zakat

³⁶ Coll, *The Bin Ladens*, 247.

³⁷ Ibid, 247.

³⁸ Coll, *Ghost Wars*, 72.

donations from mosques throughout the region and channeled them into projects to build hospitals, clinics, and battlefield medical stations along the Afghan frontier.³⁹ These institutions provided a critical support apparatus to the rebels, while other programs assisted the Afghan people through more indirect means. Pakistani President Zia encouraged Saudi Arabian charities to build hundreds of Islamic madrasas along the border with Afghanistan in order to care for young Afghan refugees. Nearly a decade of war had created a massive refugee problem as a result of Soviet scorched earth policies and programs of forced Afghan migrations. Nearly a quarter of the country's prewar population, roughly 4.5 million people, had become refugees in this time.⁴⁰ Pakistan had taken in nearly three million refugees over the years, housing and teaching many of them through Saudi funded religious schools. These madrasas often instructed their students in Islamic religious principles, including memorization of the Qur'an.⁴¹ From here, students who became old enough to fight in the conflict often joined the ranks of the mujahidin, allowing the group to retain some of its strength despite the emigration of thousands of Afghan refugees.

Additionally, Saudi charities provided considerable support for the Kingdom's espionage service in Afghanistan and Pakistan. Since the early days of the conflict, the Saudi intelligence service had utilized religious charities as a front for their own operations. This often took the form of redirecting money and military equipment to commanders of the Afghan resistance who operated outside the constraints of the CIA or ISI.⁴² These operations required the use of designated safe houses scattered along the

³⁹ Ibid, 154.

⁴⁰ Kuperman, "The Stinger Missile," 220.

⁴¹ Coll, *Ghost Wars*, 86.

⁴² Ibid.

border, which housed Saudi spies and field agents. All of these tasks required the support of Saudi charities based in nearby Peshawar to facilitate their day-to-day operations.⁴³ Both Saudi and CIA subsidies poured into the ISI's treasury as part of this process. This allowed Pakistan's Afghanistan bureau to manage the mujahidin more effectively throughout the conflict.⁴⁴ By this time, Saudi and Pakistani intelligence services also embarked on an expensive project to build roads and military outposts along the border. Their intent was to reinforce enough of the physical infrastructure in the country to allow covert supply lines to survive prolonged Soviet military attacks.⁴⁵ In doing so, it helped secure the flow of arms and fighters to the Afghan front.

Saudi charity programs benefitted from a series of fundraising and donation campaigns launched by the government and aimed at enticing wealthy families to lend their support. One of the most effective means of developing these relationships involved lavish celebrations honoring prominent Afghan resistance figures. The royal family often invited high-level commanders of the mujahidin to visit Mecca and Medina to perform the hajj. This allowed the intelligence service to utilize its vast connections with the Afghan fighters, and served as an ideal recruitment tool for new investors.⁴⁶ During these visits, Saudi businessmen gave large cash donations to these visiting Afghans, increasing their resistance capabilities as well as their status in the Islamic world. As with the previous recruitment efforts, Osama bin Laden played an integral part in this endeavor. He utilized his connections with both the Afghan insurgents and wealthy Saudis to facilitate these meetings, often personally participating in the charitable and religious

⁴³ Ibid, 87.

⁴⁴ Ibid, 65.

⁴⁵ Ibid, 156.

⁴⁶ Coll, *The Bin Ladens*, 250.

celebrations in Mecca and Medina.⁴⁷ His connections ran deep within organizations like the Muslim Brotherhood, which had recruited him during his teenage years. In seeking these contacts, bin Laden looked to find individuals who most closely adhered to the Brotherhood's aims. Groups like Jamaat Islami in Lahore fit this description.⁴⁸ On one such trip, bin Laden invited Afghan commanders Burhanuddin Rabbani and Abdurrahman Sayyaf to the Kingdom, and their meetings lasted nearly a month.⁴⁹ Ultimately, these Saudi charitable programs and fundraising efforts provided much needed support to the Afghan rebels, especially during the early years of the war. Their contributions helped meet the requirements of the dollar-for-dollar program with the United States, and also provided a means for the Kingdom to invite distinguished leaders of the mujahidin to the shrines in Saudi Arabia.

During the 1980s, the Kingdom also provided significant direct support through its own weapons and espionage programs, which often complemented the work done by the CIA. Both the American and Saudi espionage programs had maintained close ties for decades and their cooperation in the Soviet-Afghan War further strengthened this relationship. At times, their mutual interests seemed identical as far as Afghanistan was concerned.⁵⁰ However, both intelligence agencies initially felt apprehensive about launching such an ambitious program of support for Islamist fighters whose anger could quickly turn against the Saudis and Americans once the Soviets withdrew. Both Riyadh and Washington initially viewed the conflict as a way of raising the financial and human costs of the war for the Soviets, rather than as a means to achieve future victory for the

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ Ibid, 251.

⁵⁰ Woodward, *Veil*, 352.

mujahidin.⁵¹ As such, the Saudis embarked on their own program to arm the rebels in addition to its efforts in redirecting U.S. arms shipments to Pakistan.

The mujahidin received significant weapons supplies from a variety of non-American sources including Egypt, Pakistan, China, and Iran, but some of its most useful supplies arrived courtesy of the Saudi Arabian government. These countries provided weapons such as the 14.5mm machine guns, 107mm and 122mm rockets, and substantial caches of long-range mortars.⁵² Additionally, the continued shipment of Blowpipe missile systems via Saudi Arabia complemented the already devastatingly effective Stinger missiles sent from the U.S.⁵³ The Soviets utilized a vastly superior mechanized force on the Afghan battlefields, making contributions to the Afghan infantry even more meaningful. As Anthony Cordesman notes in his analysis of several major conflicts of the decade, including the Soviet-Afghan War, “The role and importance of infantry was critical in all of the conflicts under study...The USSR in Afghanistan...put too much initial emphasis on armor and artillery...One of the most critical lessons of all these battles is the need to give infantry tactics and technology a critical priority in combined arms.”⁵⁴ The utilization of combined arms tactics would have been vastly more difficult without the assistance of Saudi Arabia and other regional powers in the program of arming the mujahidin.

Finally, Saudi Arabia took advantage of its close contact with the Pakistani government to provide assistance to Afghanistan. Both countries were strikingly similar, which encouraged their close cooperation. Each nation was relatively young, with Islam

⁵¹ Coll, *The Bin Ladens*, 247.

⁵² Cordesman and Wagner, *The Lessons of Modern War. Vol. 3*, 147.

⁵³ Ibid, 62.

⁵⁴ Ibid, 370- 371.

as central to its identity. They also had to contend with fundamental religious groups who could potentially be sidetracked from antigovernment activity through participation with the mujahidin. In previous decades, the Saudis had hired Pakistani troops to participate in security deployments within the Kingdom, while Saudi air force contingents had provided cover for Pakistan in its 1971 war with India.⁵⁵ With their cooperation firmly established, the two countries began covert operations across the border. Here again, figures like Osama bin Laden and Saeed Badeeb provided a critical link between the ISI and the Saudis. Bin Laden maintained open contacts with the Saudi government, while Badeeb oversaw Saudi intelligence offices and safe houses in embassies in Islamabad and Saudi charities in Peshawar.⁵⁶ Their cooperation proved critical to the success of the mujahidin, and forced the Soviets into a protracted conflict in Afghanistan. Without the assistance of the Pakistani government in this regard, the war effort against the Soviet forces would likely have ended in failure.⁵⁷ These joint efforts helped maintain the relationship between the Pakistani and Saudi Arabian governments.

As we have observed, Saudi Arabia's support was critical to the success of the Afghan insurgency. Their religious recruitment campaigns worked to redirect Islamic fundamentalist anger to matters beyond the Kingdom's borders, while also providing the Saudis with a chance to bolster their Islamic credentials as the guardians of the faith. Though foreign Arab fighters were few compared to their Afghan counterparts, their involvement brought the attention of the entire Islamic world to the conflict. When Saudi charities began funneling zakat money towards the Afghan fighters and inviting their top leaders to Mecca for the hajj, the war became an even greater focus of Islamist sympathy.

⁵⁵ Coll, *Ghost Wars*, 73.

⁵⁶ Coll, *The Bin Ladens*, 294.

⁵⁷ Rasul Bakhsh Rais, "Afghanistan and the Regional Powers," *Asian Survey* 33, no. 9 (Sep., 1993): 906.

Saudi Arabia also worked closely with the Pakistani government to build schools, roads, and military outposts in support of the Afghan mujahidin. They utilized their close contacts with the Pakistani ISI and Afghan insurgency to influence the course of the war, and the U.S. greatly appreciated this assistance. As such, Saudi Arabia fulfilled its commitment to support the mujahidin in the Soviet-Afghan War. While both nations were successful in their efforts to rid Afghanistan of communist rule, the U.S. and Saudi Arabian cooperation extended into other theaters of combat as well.

Ethiopia, Yemen, and Soviet Decline

U.S.-Saudi covert operations also extended into Ethiopia and Yemen. These conflicts involved significantly less funding and support, but still underscored the importance of U.S.-Saudi cooperation in the 1980s. In Ethiopia, resistance to the Marxist government in power had gained a foothold within the country. Just as the spread of communism in Afghanistan worried the Saudis, so too did the establishment of a Marxist government just across the Red Sea. However, the type of support for the resistance movement differed in Ethiopia, as most support reached the country in the form of nonlethal aid.⁵⁸ The U.S. showed less enthusiasm for lethal weapons assistance to the rebels, and only offered to provide funding rather than arms for the conflict. Saudi Arabia's nonlethal support measured only about \$500,000 a year as opposed to the millions spent in Afghanistan.⁵⁹ The U.S. State Department helped direct these funds, and the CIA often expressed its gratitude to the Saudis for their continued commitment in

⁵⁸ Woodward, *Veil*, 385.

⁵⁹ *Ibid*, 373.

supplementing these funds.⁶⁰ Despite the low levels of funding, Saudi support still helped sustain and reinforce the resistance movement until the fall of the Soviet Union at the end of the decade.

The United States also embarked on a program to undermine the Soviet-backed Marxist government in South Yemen. The Kingdom had been concerned about the situation in South Yemen ever since the Marxist wing of the National Liberation Front took control in 1970. Covert operations in South Yemen were designed to both reinforce American support for the Saudis and the British (who had departed the region only a few years earlier), and to demonstrate Carter's new hardline stance against communism at the end of his term.⁶¹ These operations primarily involved a campaign of paramilitary support, where operatives would train Yemeni insurgents to demolish bridges and other landmarks of the country's infrastructure. However, the Soviet invasion of Afghanistan redirected the attention of officials in Washington, shifting CIA resources away from these operations in Yemen and Ethiopia. Nevertheless, Saudi Arabia continued to attract the support of the U.S. in these other critical fights against communism in the Middle East and Africa.

These operations against the Soviets had begun to take their toll on the declining country. Years of war and political effort in propping up communist governments throughout the world had distracted the Kremlin from focusing on domestic issues. The Soviets overstretched themselves by engaging in a costly and protracted war in the far-flung reaches of Afghanistan. Its military commitments in Africa and the Middle East

⁶⁰ Ibid, 352.

⁶¹ Ibid, 78.

also contributed to this problem.⁶² Officials in Moscow expected a relatively easy time in Afghanistan, but soon found themselves becoming more and more engaged in fighting insurgency as the mujahidin received substantial support from the U.S., Saudi Arabia, and other nations. The Soviets entered the Afghan civil war backing its pro-Soviet government, but hardly expected to be met with a resistance strong enough to put up a nearly decade long fight.⁶³ In short, by entering Afghanistan, the Soviets became militarily and political overstretched, and distracted from more pressing issues at home. Throughout the decade, Soviet forces remained bogged down in Afghanistan while popular demonstrations against communist rule at home began gaining momentum in the closing years of the 1980s.

Though conflicts such as Afghanistan drained the Kremlin's financial and military resources, the new policies of Mikhail Gorbachev also likely had a hand in the Soviet Army's withdrawal from Afghanistan at the end of the decade. Like Reagan, Gorbachev knew the risks of protracted conflicts that risk incurring large numbers of casualties. From the beginning of his tenure as General Secretary in March 1985, both Gorbachev and the Politburo agreed that Soviet involvement in Afghanistan could not be sustained against further prolonged insurgency.⁶⁴ Soviet expenditures became increasingly unsustainable as the war dragged on. Estimates from the CIA suggest that the Kremlin spent as much as \$7 billion annually from 1980 to 1986.⁶⁵ As the costs of the war compounded, officials in Moscow looked to find ways of getting the military out of Afghanistan. However, this policy of drawing down its involvement took time to

⁶² Cogan, "Partners in Time," 74.

⁶³ Ibid, 80.

⁶⁴ Kuperman, "The Stinger Missile," 235.

⁶⁵ Seth G. Jones, *In the Graveyard of Empires: America's War in Afghanistan*, (New York: W.W. Norton & Company, 2010), 25.

implement. The Soviet departure from Afghanistan finally began in May 1988, with over fifty thousand troops leaving within the first few months. Both the United States and Saudi Arabia felt relieved that Soviet aggression and communist expansion into the Persian Gulf had been checked. The final contingents of the Red Army crossed into Uzbekistan on February 15, 1989, just months before the complete collapse of the Soviet Union and the regimes in Eastern Europe.

Summary: The Enemy of My Enemy

To conclude, the joint support operations of the United States and Saudi Arabia in supporting the Afghan mujahidin underscore the strength of their relationship in the 1980s. Growing anxious at the perceived spread of Soviet communism and influence, the two nations worked closely to reinforce the Afghan resistance, greatly increasing the losses of the Soviet troops and the financial costs of war for the Kremlin. The United States provided significant support through its program to fund and arm the rebels. Officials initially hid their involvement by sending non-American-made weapons to the mujahidin and keeping their source anonymous. A policy shift in 1985 initiated a multimillion dollar program to provide the rebels with powerful Stinger anti-aircraft missiles. The CIA also provided logistical and training support along the Pakistani border. Saudi Arabia, on the other hand, began to recruit fighters throughout the Muslim World to participate in a religiously motivated struggle against the communists and invited mujahidin leaders to lavish fundraisers and religious tours in the Holy Cities. This served the dual purpose both of bolstering the Kingdom's claims to religious legitimacy, and of distracting religious dissenters who might otherwise have acted against

the government. The Saudis also served as important middlemen in the arms transfer program, often repackaging U.S. arms shipments and sending them to Pakistan on Saudi planes to hide their source. Finally, the Kingdom worked closely with the Pakistani ISI, CIA, and mujahidin leaders to coordinate these support efforts.

Additional support programs in Ethiopia and Yemen also demonstrated the close cooperation between the two governments in dealing with the Soviet threat. Monetary support for anti-Marxist forces in Ethiopia and small-scale paramilitary operations to train insurgents in Yemen further complicated Moscow's efforts to maintain its satellite nations outside the territorial limits of the Soviet Union. By the end of the 1980s, years of prolonged military engagement abroad and Gorbachev's political shift to domestic matters signaled the beginning of the end of the Soviet invasion of Afghanistan. As the last Soviet troops left in 1989 and the Soviet Union collapsed, the mujahidin rejoiced in their hard-won victory. Districts and cities throughout the country fell to mujahidin rule and the DRA's last president, Mohammad Najibullah, was overthrown in 1992. However their victory was short-lived. As often happens when loosely united resistance groups overthrow their government, conditions of civil war began to emerge. This phase of the civil war lasted for nearly four years until a fundamentalist religious mullah named Mohammad Omar and his Taliban supporters took control over the southern half of the country in 1996. Many of the previous mujahidin fighters, including Osama bin Laden, felt betrayed by the Saudi and American governments. Actions such as U.S. troop deployment in the Kingdom during the first Gulf War inflamed such sentiments, and these figures established international terrorist groups such as al-Qaeda. Their involvement in the terrorist attacks of September 11, 2001 would ironically put the

United States in the same situation of prolonged insurgent conflict into which it so eagerly pushed the Soviets many years earlier in Afghanistan.

Nevertheless, such hindsight cannot dictate foreign policy. Though supporting the mujahidin may have produced unforeseen consequences for the U.S. and Saudi Arabia years after the Soviets left, their assistance helped ensure the departure of the Soviet Army and stopped the expansion of communism into critically important areas of the Middle East. Their cooperation was founded on decades of mutual trust and support, and these joint covert actions in Afghanistan proved the commitment of each to the security and stability of the other. In Afghanistan in the 1980s, the United States and Saudi Arabia passed a critical test in affirming their mutual appreciation for the U.S.-Saudi relationship.

CONCLUSION

The 1980s were a period of close cooperation between the United States and Saudi Arabia, in contrast to several periods of strained relations of the previous decade. The joint security interests of the two countries ensured this cooperation in dealing with the threats caused by the Iran-Iraq War, religious radicalism, and the expansion of Soviet influence. These security interests, greatly fueled by the strong economic ties provided through substantial sales of oil, allowed the two governments to work side-by-side in supporting resistance groups in Afghanistan. With this support, the religiously motivated mujahidin managed to expel the Soviets from the country and bleed the Kremlin of significant military and monetary resources in the process.

As the decade drew to a close and the world watched the Soviet Union fall into disarray, the seeds of a new, yet oddly familiar fight had already been planted. Osama bin Laden, one of the zealous recruiters and couriers for the mujahidin, began raising a religious fighting force of his own following the Soviet retreat from empire. The actions of his terrorist group, al-Qaeda (the base), and similar organizations in the 1990s and early 2000s put the U.S.-Saudi relationship in an awkward situation. Bin Laden was himself a former Saudi national along with many of his followers. In the wake of al-Qaeda's terrorist attacks, the United States government sometimes criticized Saudi Arabia for not doing enough to curb religious radicalism inside its own country. The Kingdom, on the other hand, found itself in the difficult position of having to uphold its

Salafi Islamic credentials while combating Sunni extremism. Ultimately, the ‘War on Terror’ would draw the United States and some of its allies into the same situation into which it had pushed the Soviets years earlier. U.S. military forces battled against some of the same people it supported in the 1980s, finding itself, like the Soviets, entangled in a prolonged and deadly insurgency. The war in Afghanistan and the loosely connected war in Iraq likewise cost the nation substantial monetary and human losses. These conflicts raged throughout the first decade of the 21st century, with U.S. troops leaving Iraq in late 2011 and the final withdrawal from Afghanistan scheduled for 2014.

Still, the U.S.-Saudi relationship remained strong in the years following the Soviet withdrawal. The legacy of FDR and Ibn Saud’s fateful meeting continues to drive the economic cooperation between the two nations. Though a recent boom in U.S. oil production has begun following the discovery and planned exploitation of vast quantities of shale oil, the U.S.-Saudi relationship will remain of critical importance as the Kingdom’s exports shift to ascending markets in eastern Asia. Finally, the unending concern for stability and security ensures the collaboration of Washington and Riyadh well into the future.

REFERENCES

- Amstutz, J. Bruce. *Afghanistan: The First Five Years of Soviet Occupation*. Washington D.C.: National Defense University, 1986.
- Anthony, John Duke. "The US-GCC Relationship: A Glass Half-Empty or Half-Full?" *Middle East Policy* 5, no. 2 (1997): 22-41.
- Bahgat, Gawdat. "Nuclear Proliferation: The Case of Saudi Arabia." *Middle East Journal* 60, no. 3 (Summer, 2006): 421-443.
- Bin Hethlain, Naif. *Saudi Arabia and the US since 1962: Allies in Conflict*. London: Saqi Books, 2010.
- Bronson, Rachel. *Thicker than Oil: America's Uneasy Partnership with Saudi Arabia*. New York: Oxford University Press, USA, 2006.
- Christie, John. "History and Development of the Gulf Cooperation Council: A Brief Overview." *Arab Affairs* 18 (Sep 30, 1986): 1.
- Cogan, Charles G. "Partners in Time: The CIA and Afghanistan since 1979." *World Policy Journal* 10, no. 2 (Summer, 1993): 73-82.
- Coll, Steve. *Ghost Wars: The Secret History of the CIA, Afghanistan, and Bin Laden, from the Soviet Invasion to September 10, 2001*. New York: Penguin Press, 2004.
- Coll, Steve. *The Bin Ladens: An Arabian Family in the American Century*. New York: Penguin Press, 2008.
- Cordesman, Anthony H., and Abraham R. Wagner. *The Lessons of Modern War. Vol. 2, The Iran-Iraq War*. Boulder, CO: Westview Press, 1996.
- Cordesman, Anthony H., and Abraham R. Wagner. *The Lessons of Modern War. Vol. 3, The Afghan and Falklands Conflicts*. Boulder, CO: Westview Press, 1990.
- Crile, George. *Charlie Wilson's War: The Extraordinary Story of the Largest Covert Operation in History*. New York: Atlantic Monthly Press, 2003.

- Fukuyama, Francis. *"The Soviet Threat to the Persian Gulf."* Santa Monica, California: The Rand Corporation, 1981.
- Idris, Khalid H. "The Gulf co-operation Council (GCC): Industrial co-operation in 'A Gulf of Difference,'" *GeoJournal* 13, no. 3 (1986): 245-250.
- Jones, Seth G. *In the Graveyard of Empires: America's War in Afghanistan.* New York: W.W. Norton & Company, 2010.
- Kuperman, Alan J. "The Stinger Missile and U.S. Intervention in Afghanistan." *Political Science Quarterly* 114, No. 2 (Summer, 1999): 219-263.
- Laiq, Jawid. "The Gulf Cooperation Council: Royal Insurance against Pressures from Within and Without." *Economic and Political Weekly* 21, no. 35 (1986): 1553-1560.
- Long, David E. *The United States and Saudi Arabia: Ambivalent Allies.* Boulder, CO: Westview Press, 1985.
- Miglietta, John P. *American Alliance Policy in the Middle East, 1945-1992: Iran, Israel, and Saudi Arabia.* Lanham, MD: Lexington Books, 2002.
- Nakhleh, Emile A. "United States and Saudi Arabia: A Policy Analysis." Washington D.C.: American Enterprise Institute for Public Policy Research, 1975.
- Nishiyama, Akihiko. "The Impact of the Iran-Iraq War on the Oil Market." *Journal of Arab affairs* 7, no. 1 (1988): 100-106.
- Paterson, Thomas G., et al. *American Foreign Relations: A History Volume II.* 5th ed. Boston: Houghton Mifflin Co, 2005.
- Peterson, J. E. "The GCC States After The Iran-Iraq War." *American Arab Affairs Journal* (1988): 96-115.
- Quandt, William B. *Saudi Arabia in the 1980s: Foreign Policy, Security, and Oil.* Washington DC: Brookings Institution Press, 1981.
- Rais, Rasul Bakhsh. "Afghanistan and the Regional Powers." *Asian Survey* 33, no. 9 (September, 1993): 905-922.
- Ramady, Mohamed. *The Saudi Arabian Economy: Policies, Achievements, and Challenges.* New York: Springer, 2005.
- Ramazani, Rouhollah K., and Joseph A. Kechichian. *The Gulf Cooperation Council: Record and Analysis.* Charlottesville, VA: University of Virginia Press, 1988.

- Sandwick, John A. *The Gulf Cooperation Council: Moderation and Stability in an Interdependent World*. Boulder, CO: Westview Press, 1987.
- Story, Joseph C. "U.S.-Arab Relations: The Economic Dimension." Washington, D.C.: National Council on U.S.-Arab Relations, 1985.
- Ulrichsen, Kristian Coates. "Internal and External Security in the Arab Gulf States." *Middle East Policy* 16, no. 2 (2009): 39-58.
- United States General Accounting Office. Comptroller General of the United States. *The U.S.-Saudi Arabian Joint Commission On Economic Cooperation*. By Elmer B. Staats. ID-79-7. Washington D.C.: United States Government Printing Office, 1979.
- Wingerter, Rex B. *The Gulf Cooperation Council and American Interests in the Gulf*. Arab Affairs 16 (March 31, 1986): 15.
- Woodward, Bob. *Veil: The Secret Wars of the CIA 1981-1987*. New York: Simon and Schuster, 1987.
- Wright, Lawrence. *The Looming Tower: Al-Qaeda and the Road to 9/11*. New York: Random House LLC, 2006.
- Zahlan, Rosemarie Said. *The Making of the Modern Gulf States: Kuwait, Bahrain, Qatar, the United Arab Emirates, and Oman*. London: Unwin Hyman, 1989.