

What's up in Saudi Arabia

Riyadh confronts United States with new policy stance

Since the signing of the Israel-Egypt peace treaty, the ruling elite of Saudi Arabia has enacted an unprecedented transformation in its foreign and energy policies which, as Secretary of State Cyrus Vance admitted in House Foreign Affairs Committee testimony this week, marks a fundamental shift in U.S.-Saudi relations, once the keystone of U.S. Mideast policy.

The U.S. Camp David gambit, plus numerous other deliberate provocations from Washington including threats of U.S. military intervention into the Persian Gulf to secure oil resources, were calculated to shift the balance of power away from Saudi strong man Prince Fahd in favor of Islamic fundamentalist Prince Abdullah.

But so far, this tactic has not produced the hoped-for results. Instead, informed sources report that the Saudi elite under Fahd's leadership is quietly shifting its allegiance away from its erstwhile strongest ally, the U.S., toward closer cooperation with France and West Germany. In his testimony before Congress, U.S. Secretary of State Vance for the first time publicly stated that U.S.-Saudi relations were facing "clear and sharp differences." Vance declared: "Saudi Arabia has changed its declared positions," since Camp David, "this is a fact and no one should gloss over it." In the same hearings, Defense Secretary Harold Brown reiterated his warning of possible future U.S. military intervention into the Gulf.

The areas of Saudi policy where major changes are presently occurring:

U.S. relations. The Saudi royal family took what is probably the most extreme action to date against the U.S. for what Riyadh claims was CIA meddling in Saudi internal affairs. According to Soviet and European press sources, an angry King Khalid sent a message to President Carter this week informing him that the CIA was spreading rumors of factional splits within the royal family in order to destabilize Saudi Arabia. As a result, the Saudis ousted one CIA operative who was accused of such rumor mongering. According to the *Financial Times*, the CIA agent was the station chief, George Cave.

Arab relations. The traditionally conservative Saudis have made a sharp change in their relations with a

number of Arab countries, as a result of their one-time ally Egyptian President Anwar Sadat having signed the Camp David pact. Riyadh has formed a powerful political and security agreement with its traditionally staunch ideological rival Iraq for security of the entire oil-rich Persian Gulf region—an agreement which has virtually escaped the pages of the major U.S. press. The announcement of the unprecedented alliance is in part designed to counter a potential U.S. military intervention into the Gulf.

Relations with the Soviets. According to well-informed Arab sources, Riyadh is expected to send a diplomatic delegation to Moscow in the near future to begin the much publicized process of reopening Soviet-Saudi relations. Such a move is to be accompanied by a resumption of economic activity between the two states and the possibilities of Saudi oil sales to the East bloc states.

Oil. An unidentified Saudi source last month in an interview with *Middle East* magazine, May issue, made a forthright proposal to the western nations stating that his nation was prepared to "double" its oil output from the present estimated 9 million barrels a day. The source stated that his nation would be willing to make the multi-billion dollar investment to increase its oil producing capacity to the 18 to 20 million barrel a day level in return for a U.S. commitment to a comprehensive Middle East settlement. The statement, which was not reported in the U.S. press, also undercuts the efforts of James Schlesinger and Senate Foreign Relations head Frank Church who recently released fraudulent reports that the Saudis could produce no more than 10 million barrels a day.

Nuclear energy. No more than a week following the "accident" of the Three Mile Island nuclear reactor—an incident which the *Executive Intelligence Review* has shown to have been mostly likely sabotage to halt nuclear energy development in the U.S. by Schlesinger and company, the Saudis for the first time went public with their own nuclear development program, a dramatic announcement which only received a notice in the *New York Times*.

—Judith Wyer

Saudis offer oil in exchange for comprehensive Mideast peace

In an interview with the May issue of *Middle East* magazine, an unidentified Saudi source made a dramatic political offer to the U.S. to double Saudi oil output in return for a general Mideast peace settlement. Below are excerpts:

"We will not hesitate to produce twice as much as we are producing now, if that should be the price of an acceptable peace settlement in the Middle East."

But if there is not such a general peace, "there will continue to be a tight oil market, and oil-consumers will have to intensify their search for substitute sources of energy probably more expensive to find and develop."

Middle East magazine reports that the latter tactic is Saudi Oil Minister Yamani's "double edged weapon" in which the Saudis will continue to hold their production at a fixed level as world consumption climbs. *Middle East* continues that because of U.S. Mideast policy the Saudis have agreed to shelve a plan which has been fully worked out to raise Saudi production levels to 16 million barrels a day.

Nuclear power program

The English language *Saudi Gazette* reprinted a description of Saudi Arabia's nuclear energy development plans from the Arabic language daily *Okaz* on April 5: "The plan of a nuclear fuel processing centre is a breakthrough indeed especially for bringing up a generation of atomic scientists and specialists. The construction of nuclear reactors in the gulf and the Red Sea that produce both nuclear fuel and heavy water will help in the decentralization of industry, so that development embraces all parts of the kingdom.

The Saudi daily *Al Bilad* reports: "It is a major step forward to decide to build an atomic energy centre in this country. Such a step is in line with the people's aspirations to catch up with modern technological advances. We have proved during the last 50 years that we are capable of adopting modern technologies without discarding our traditions and values. We also realize that our stability and prosperity are linked to

those of the rest of the world. We hope someday that Saudi scientists will have a tangible role in spreading knowledge and technology around the world."

Relations with other Arab nations

Following are commentaries from the Saudi press on Riyadh's new political and security alliances with Baghdad in the wake of the Camp David treaty signing.

The Saudi daily *al Medina* April 5 reported on the ratification of the Baghdad summit decisions to impose political and economic penalties on Egypt by the Saudi Council of Ministers: "The Sanctions were necessary if we are to prevent Israeli infiltration of the Arab world through Egypt. Foremost among the actions to be taken will be official precautions to inhibit economic and cultural penetration as well as subversive actions in the Arab world."

A Saudi source comments to *An-Nahar Paris*, April 30, on Saudi Arabia's position toward Egypt and reports of splits within the royal family: "First, the Saudi Arabian Kingdom's attitude toward President Anwar as-Sadat's initiative since the visit to Jerusalem, the Camp David accord and, finally, the Egyptian-Israeli peace treaty has been clear and firm in condemning, rejecting and denouncing the Egyptian Government's policy from A to Z. This has been confirmed by the kingdom's official statements and decisions, the latest being the decision to sever diplomatic relations with Cairo in compliance with the Baghdad conference resolutions. The kingdom has signed these resolutions and is committed to them the same way it is committed to all the resolutions that it approved in the recent and distant past.

"Secondly, what has been reiterated regarding the existence of internal disputes in Saudi Arabia gives the impression that such disputes are a matter of fact. The statement made by Amir Abdullah ibn Abd al-Aziz, second deputy prime minister and commander of the National Guard, reflects the cohesive unity of rule in the Saudi Arabian Kingdom.

"Thirdly, the kingdom's share of allocations (to the anti-Egypt confrontation states) which the Baghdad conference approved will be paid during 1979 and within the set time. This will take place after the 27th of May."