

Saudi-American Forum



SAF Item of Interest

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Behind and Beyond the Headlines: Saudi Arabia

By Karen Miller Lamb

Editor's Note:

Karen Miller Lamb wrote the following article based on a presentation that Dr. John Duke Anthony delivered to the International Committee at Christ Church (Georgetown) in Washington, D.C. on October 6. Lamb is a member of the Committee. Of interest to readers is that U.S. Secretary of Defense Donald Rumsfeld is a parishioner at Christ Church. Ms. Lamb's account of the meeting is scheduled to appear in the forthcoming October-November issue of *The Courier*, Christ Church's bimonthly newsletter to parishioners.

For centuries, the mystique of "Araby" has intrigued the world. The modern country of Saudi Arabia [the Kingdom] was formed in 1932. Since then, it has become a strategically important power and partner in the international economic and political arena. Yet despite its high visibility -- numerous books have been written about it in the last three years alone -- Saudi Arabia remains, in many ways, a mystery to millions of Americans. To better educate Christ Church, the International Mission Committee sponsored an October 6th evening lecture featuring Dr. John Duke Anthony, President and Chief Executive Officer of the National Council on U.S.-Arab Relations and a parishioner. The usual lively and informed "Q&A" followed his talk.

Involved in the region for 40 years, Dr. Anthony has been a consultant for the Departments of Defense and State for the past three decades. He spoke on "Saudi Arabia and U.S. Relations in Transition: Implications for Regional and Global Stability". What emerged was a fascinating picture of a country that is both admired and vilified, but which is undeniably the U.S.'s major and most consistent trading partner in the Middle East.

Saudi Arabia, in size more a continent than a country, encompasses a territory nearly as large as Western Europe. With 13 smaller neighbors, each envious and jealous of its great wealth, the Kingdom manages to have good relations with them all. Its 16 million citizens pay no taxes and receive free education. Senior citizens are well looked after, and in major cities the quality of medical facilities and health care services (all free) is impressive. Although a conservative Islamic lifestyle pervades the populace as a whole, there are more women than men students in the country's universities, and 15,000 women own and operate businesses and investment services.

Long recognized as having the lowest crime rate per capita of any country in the world, Saudi Arabia also has no homeless population. This contrasts sharply with the U.S., where in the Washington, D.C. alone (the Washington Post and other sources report) as many as 10,000 people sleep on the streets. With virtually no inflation or emigration, the country hosts six million "guest workers." Saudis point out that the number of "guests", as a proportion of its inhabitants, makes their country far more open to foreigners than the United States.

Externally, Saudi Arabia provides financial aid and various forms of humanitarian assistance to nearly 90 countries. For each of the past 25 years, the Kingdom has contributed to the world's less fortunate peoples on average seven times what the U.S. provides on a per capita basis. As a founding member of more regional institutions than any of the world's 140 developing countries, Saudi Arabia has also long advanced proposals to bring about peace between Israelis and Palestinians and other Arabs. This began with King Fahd's Plan in 1982 and continues to the present. Dr. Anthony believes that, fortunately for the U.S., the Kingdom's foreign policies are a continuing "voice of reason and moderation" in regional conflicts.

In addition to its steadying influence on the region, the secure and manageably priced energy the Kingdom provides helps drive the world's economies and ensures the material wellbeing of hundreds of millions of people. Saudi Arabia is the indisputable owner of 26% of the world's extractable oil reserves. (The U.S. owns only 2.5%, while Iraq, Kuwait, Iran and the United Arab Emirates each own an additional 10 percent.) Saudi Arabia and the U.S. have produced an average of eight million barrels of oil a day (mbd) for the past decade. Yet whereas Saudi Arabia obtains its eight mbd from fewer than 900 wells, it takes more than 650,000 American wells to produce the same amount. Long the world's number one producer, exporter, refiner and owner of oil reserves, the Kingdom, since 1938, has discovered more oil than it has produced every year but one. It also supplies energy in the form of natural gas. After Russia, Iran, and the State of Qatar, Saudi Arabia is the world's largest owner of natural gas reserves.

Despite these impressive natural resources and relative prosperity, Saudi Arabia faces serious challenges. In common with almost all of its neighbors, its underemployed and increasingly youthful population needs jobs. For 30 years, the government and a burgeoning private sector have aggressively attempted to diversify the economy and create employment. The Kingdom now has more than 3,500 manufacturing establishments and is by far the Middle East's largest producer of petrochemicals. In agribusiness, it is one of the world's 10 largest exporters of wheat and has the world's two largest dairy farms, each with more than 17,000 milk cows. In the winter, Saudi Arabia exports tulips to Holland and strawberries to France. Joint ventures with other countries are pursued, and the over 220 ventures with American firms far outnumber those with other major countries' firms.

An even greater challenge is the improvement of relations with the U.S. in the aftermath of 9/11. Despite what Dr. Anthony calls the "sticky wicket" created by this and other problems, he is sanguine about possibilities for increased cooperation in the future. For more than half a century, the U.S. and Saudi Arabia have had close strategic, economic, political, commercial, defense, and people-to-people ties. This closeness, he asserts, is the reason the U.S. is still the Western country with the most assured regular access to the Kingdom's highest-ranking decision makers and policymakers. Significantly, he added, the Saudis denominate their oil in dollars, an

important factor for the global role of the U.S. dollar and the ongoing preeminence of the American financial system worldwide. Furthermore, U.S. financial investment in the Kingdom has long surpassed that of any other country. Key to what up until 9-11 had been a traditionally warm relationship between the two countries is the fact that 200,000 Saudis have obtained their university degrees from the U.S. Indeed, every year since 1975 there have been more American-trained PhDs in Saudi Arabia's Cabinet than PhDs in the U.S. Cabinet, Supreme Court, Senate and House of Representatives combined.

The "reservoir of good will" that these diverse and mutually beneficial human relationships have created has carried the Saudi Arabia-U.S. relationship through challenging times. Yet this special bond is newly at risk, owing to heightened U.S. Homeland Security regulations pertaining to visas. The number of Saudi Arabian and other Arab and Muslim students studying in American universities since 9/11 has fallen substantially, as has the number of Saudis visiting the U.S. for business, medical checkups, and tourism.

Saudi Arabia has also been criticized for declining to absorb the millions of Palestinian refugees. Together with numerous other Arab countries that adhere to the same policy, the Kingdom believes that its first responsibility is to its own citizens for such jobs as may exist. Dr. Anthony believes it is more important that Israel, which created the refugees in the course of its establishment, remain legally obligated (as a result of UN resolutions that the U.S. voted for) to either repatriate the refugees or provide them compensation. Because Israel thus far has agreed to do neither, none of the Arab countries (including Saudi Arabia) is inclined to take the refugee issue off the table simply because many Israelis would like for them to do just that.

Dr. Anthony is hopeful that Saudi Arabia, in partnership with the U.S., can be a powerful and positive force for good in solving the Arab-Israeli conflict. He points out that on March 28, 2002, Saudi Arabian Crown Prince Abdallah succeeded in winning unanimous support from each of the 22 Arab countries for his proposal to establish normal relations with Israel, provided it withdraws from the Palestinian and Syrian territories it has occupied since June, 1967. According to Dr. Anthony, we all must hope that, on both sides, "dialogue, not diatribe, will triumph."

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ABOUT THE AUTHOR

Karen Miller Lamb is a freelance writer who formerly worked in international marketing communications and public affairs for Citibank, the Financial Times, and Deloitte & Touche.

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