SAUDI ARABIA IN WORLD POLITICS: FROM THE COLD WAR TO THE WAR ON TERROR*

Toby Matthiesen**

Saudi Arabia was both a key Cold War actor and an arena in which Cold War struggles were played out. It established close relations with the US at the outset of the Cold War that persist to this day. Saudi Arabia was a key funder of anti-communist causes in the Middle East, Africa, Asia, and Latin America, and its interpretation of Islam was – particularly since the reign of King Faysal – used as an anti-communist ideology in partnership with the United States. The 9/11 attacks put those relations in jeopardy, but the underlying strategic relationship managed to survive, not least because Saudi Arabia turned what was initially a handicap, that al-Qaeda was made up of many Saudi citizens, into an asset. It thus presented itself as a vital ally in the “War on Terror”, a situation that continues to shape relations between Saudi Arabia, the US and Europe, up until the era of President Trump and King Salman. This article seeks to place these developments in their broader context, and to analyze Saudi Arabia’s role in the world from an international history perspective, rather than by narrowly focusing on oil, Islam, the monarchy or US-Saudi relations.

The US-Saudi Alliance, Oil, and Petrodollar Recycling

The Soviet Union was the first country to recognize Saudi Arabia in 1926 after Ibn Saud conquered the Hijaz, initially seeing him as an anti-imperialist leader, but only maintained diplomatic personnel there until 1938. Thereafter, Saudi Arabia did not revitalize diplomatic relations with the Soviet Union or states of the socialist bloc until 1990. Since the early twentieth century, Ibn Saud had had important contacts with imperial powers, above all with Britain and the Ottoman Empire, and the US-Saudi alliance was sealed in 1945.

After the Yalta conference, at which US president Franklin D. Roosevelt, British Prime Minister Winston Churchill, and Soviet leader Josef Stalin agreed on the future of post-Second World War Europe, Roosevelt made a stop-over at the Suez Canal. There, he met Ibn Saud, King Farouk of Egypt, and Haile Selassie of Ethiopia. Little noticed at the time, that meeting was crucial for US-Saudi relations, and was apparently spurred by Ibn Saud’s decision to pivot towards the US and hedge against Britain, which dominated the Persian Gulf region and controlled oil resources in most Gulf countries at the time. Thus, the origin of the US-Saudi relationship is firmly located at the outset of the Cold War, as only a few months after the historic meeting tensions between the United States and the Soviet Union mounted and the war started.

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* Full references and further reading on the subject can be found in the full version of the article: Toby Matthiesen, "Saudi Arabia and the Cold War” in Madawi al-Rasheed (ed.), Salman’s Legacy: The Dilemmas of a New Era in Saudi Arabia (London: Hurst & Co, 2018), 217-233

** Director, Middle East and North Africa Program, International Crisis Group, Brussels
This reaffirmed the strategic importance of Central Asia and the Middle East, and in particular of oil-rich countries such as Iran, Iraq, and Saudi Arabia to the future of the wider Cold War.

The first decade of the Cold War saw a profound shift in global energy consumption, with oil overtaking coal as the key strategic global energy resource. This went hand in hand with a rapid increase in oil production in the Gulf countries in the 1950s and 1960s, as well as the rise of the United States-led global economic order. Aramco, owned by a consortium of the largest American oil companies, was a key actor in US-Saudi relations, and became the single largest US overseas asset. In this context, control over Gulf oil was not so much about providing cheap energy to the US or its allies in Europe or Asia – although that did play a role – but rather America and Britain’s ability to control and deny the flow of oil to adversaries during the Cold War, primarily the Soviet Union. This spurred America’s long-term diplomatic and military presence in the Gulf.

At the same time, and in particular after 1973, the massive influx of revenues from oil turned Saudi Arabia and other oil-producing countries into key creditors for international financial markets. “Petrodollar recycling”, both in the form of investments in the West and the purchasing of Western products, particularly arms, became increasingly important for the neoliberal economic and financial system largely set up, shaped, and dominated by the US. After the 1973 oil embargo drove oil prices to previously unthinkable levels, the United States sold government debt to allies around the world, including to oil-producing countries. A substantial amount was bought by Saudi Arabia, which was given preferential treatment and its buying of US bonds was kept secret at the request of King Faisal.

Oil and the recycling of petrodollars were thus key factors for the US-Saudi alliance. But Saudi Arabia’s strategic location was also vital. The US maintained an airfield in Eastern Saudi Arabia (Dhahran), located less than a thousand miles from the Soviet Union, from 1952 to 1996. The airfield served as an important logistics hub, not least in the Afghan campaign and the First Gulf War. The third, and equally crucial, aspect of Saudi Arabia’s position in the Cold War as a US ally lays in the realm of ideas.

Islam as Anti-Communism

The role and use of religion during the Cold War, in particular against communism, has recently received some scholarly attention. Indeed, religion, particularly Christianity and Islam – in the Middle East, Central Asia, South and South East Asia – were seen as very powerful anti-communist belief systems. At the start of the Cold War, the United States government saw the Middle East as a strategically important region in its rivalry with the Soviet Union, and identified the role of religion as one of its key features – and possible assets for the US – in that part of the world. A National Security Council report in 1952 identified the centrality of the Middle East to the attitudes of peoples in the “greater Islamic world stretching from Morocco to the Philippines.” This report stated: “The reactions of the peoples in this area to United States’ policy will be reflected in the reactions of Jews and Muslims throughout the world. The three monotheistic religions in the area have in common a repugnance to the atheism of communist doctrine and this factor could become an important asset in promoting Western objectives in the area.”
The view of Saudi Arabia as a leader of the Islamic world increased its importance in the eyes of the Americans. The Presbyterian missionaries’ son later turned secret agent William A. Eddy, who after the war worked with Aramco in Saudi Arabia, advocated Christian-Muslim cooperation against communism. He argued that Ibn Saud, “as head of the puritanical Wahhabi movement to restore the pure faith and practices of Islam”, was “without any doubt the most representative and influential Muslim in the world today.”

When President Dwight D. Eisenhower gave John Foster Dulles letters of introduction for the latter’s tour of the Middle East, the letter to Ibn Saud referred to a shared interest in fighting “godless communism”. Earlier, Ibn Saud had indicated to the Americans that his religion dictated an anti-communist stance. The Truman administration then expanded security assistance and other ties with Saudi Arabia, partly because of the Saudi leaders’ staunch anticommunism.

When Ibn Saud’s eldest son and designated successor, Prince Saud, told an American official in 1952 that he had plans for a pan-Islamic movement led by Saudi Arabia, he was told that the US “would welcome such a movement under his leadership because we could be sure that it would be friendly and wisely led.” The Americans hoped that Saud, who succeeded his father in 1953, could become an anti-Nasser leader with religious legitimacy. At times, he was described as an “Islamic pope”. However, they eventually came to the conclusion that Saud lacked the charisma and political instincts to successfully challenge Arab nationalism and communism in the region while keeping Saudi domestic politics under control.

American anti-communist propaganda, sometimes containing religious elements, was placed in Saudi newspapers and broadcasted on Radio Jidda. At the same time, Saudi Arabia, its kings and its version of Islam were discussed in American print media, in stereotypical and Orientalizing but overwhelmingly positive ways. King Faisal’s Islamic institution building, most notably the Muslim World League in 1962 and the Organization of Islamic Conference (OIC) in 1969, was much invoked. However, Faisal’s legacy, in particular through his tours across Africa, the Middle East, South and South East Asia, is still not fully appreciated, not with reference to the Cold War – through which the use of Islam as an anti-communist tool continued. As late as 1986, an inter-agency meeting of Reagan officials urged the highlighting of the opposition between Islam and communism as a key public diplomacy strategy, especially to undermine the People’s Democratic Republic of Yemen (PDRY).

**Interpenetration of Domestic and Regional Politics during the Arab Cold War**

The Middle East experienced its own particular version of the Cold War. From the early 1950s until 1967, the Arab world was split – in what became known as the “Arab Cold War” – between conservative monarchies, LIKE Saudi Arabia, backed by the United States on one side, and revolutionary military regimes with the support of the Soviet Union on the other side. Arab nationalists such as Gamal Abdel Nasser were the most popular leaders in the Arab World, while communist parties and Marxist movements played a rather subordinate role.

In the 1960s, Yemen became the “hot” arena of this regional Cold War. After the revolution that led to the overthrow of the Imamate in Sanaa in 1962, a five-year civil war pitted Saudi-backed
royalists against Nasser's republican allies. One of the main objectives for Nasser, which drove his decision to intervene in Yemen with thousands of Egyptian soldiers, was his rivalry with Saudi Arabia. Egypt carried out air and sea attacks on Saudi targets in early November 1962, and in January 1963 just shortly after the US had recognized the Yemen Arab Republic (YAR) in the North. Egypt also performed an air drop of weapons and ammunition inside Saudi Arabia, destined for Saudi dissidents north of Jeddah. This threat to Saudi Arabia reinforced Washington's commitment to the Saudi ruling family. Nonetheless, this was initially mitigated by American interests in a working relationship with Nasser – who the Americans feared would be pushed fully into the Soviet sphere of influence if they were too critical of him or were to cut off aid. After all, Nasser was staunchly anti-communist, viciously persecuting Egyptian and other Arab communists, and thus at times seen somewhat favorably in Washington. Nonetheless, in 1967 the Six-Day War with Israel heralded the end of Egypt as a regional superpower, and forced Nasser to withdraw the remaining Egyptian soldiers from Yemen between September and December of that year.

Developments within Saudi Arabia during this period – in particular the labor movement in the Eastern Province, the establishment of leftist and nationalist underground organizations, the rivalry between King Saud and Crown Prince Faisal, and the appointment of “progressive” officials to key positions in the bureaucracy – also have to be studied in the context of the Arab Cold War.

Ibn Saud, the founder of modern Saudi Arabia, had chosen Saud to become king after his death, in 1953. Following that event, politics in the country were dominated by the rivalry between the two men and their shifting power bases, until 1964 when Saud was forced to abdicate in favor of Faisal. Saud occasionally sought alliances with progressive officials, including a group of Arab nationalist-oriented princes called the Free Princes around Prince Talal, and at times refused to follow British and American policies in the region. He refused, for example, to join the British-sponsored Baghdad Pact, and sometimes toyed with a non-aligned stance.

The Saudi communists, since the 1950s organized in the National Liberation Front (Jabhat al-Taharrur al-Watani, NLF), supported King Saud’s reforms, in particular the appointment of “progressives” to the 1960 cabinet. The cabinet was led by the so-called “Red Prince”, Talal ibn ‘Abd al-Aziz, and included Abdallah al-Tariqi, a progressive Saudi oil official, who went on to co-found the Organization of Petroleum Exporting Countries (OPEC) in 1960. It also included the communist Mustafa Hafiz Wahba as Deputy Minister of Finance in 1960. However, Wahba was dismissed alongside other progressive officials in 1962 when Crown Prince Faisal strengthened his position. Faisal had his power base amongst the “ulama”, the clerical elite, and it was they who eventually publicly urged Saud to leave matters of state to Faisal. On 2 November 1964 Saud was forced to abdicate by the Council of Ministers and was replaced as king by Faisal. Interestingly, despite its close alliance with the United States, Saudi Arabia was also a founding member of the Non-Aligned Movement (NAM), and Faisal reiterated in his accession speech that Saudi Arabia would stand by the decisions taken at Bandung, the founding conference of the NAM, in 1955.

In mid-December 1966 Nasser invited the former King Saud to reside in Cairo. While Nasser was commonly perceived to have lost the Arab Cold War, his former rival Saud had effectively defected to his side, living in Cairo for a while, which added an ironic twist to the whole story.
As part of its efforts to strengthen the Saudi monarchy and ensure that the pro-American branches of the ruling family would remain in power, the US helped to build up the internal Saudi security services. Repression against left-wing underground political organizations was particularly fierce. Communists were at the forefront of the labor mobilization in the Eastern Province from 1953 to 1956. Many were either expelled or jailed. Aramco was at that time still an American-owned company with its own security officials, some of whom were undercover agents of the CIA. They were thus directly involved in the suppression of the labor movement. Further waves of repression occurred throughout the 1950s and 1960s. In addition, American diplomats and CIA agents probably played a role in foiling some of the coup plots between 1967 and 1970. This led to the arrests of hundreds of activists and dealt a blow to all the Saudi opposition organizations. Thus, the US also played a key role in supporting the suppression of secular opposition forces in the domestic politics of Saudi Arabia. At the same time, particularly under Faisal, arms sales to Saudi Arabia increased dramatically.

The repression and cooptation of leftists and left-leaning Arab nationalists went hand in hand with an increase in funding for Islamist groups and the adoption of Islam as a counter-ideology both at home and abroad. Islam was, for example, used to undermine rebels in the Omani province of Dhofar and the South Yemeni regime, as well as Marxism and Arab nationalism more broadly. This coincided with crackdowns on Islamists in Egypt, Syria, and elsewhere in the region. These Islamists then found a safe haven in the Gulf States, where members of the Muslim Brotherhood came to staff many of the newly founded educational and charitable institutions. Gulf leaders such as King Faisal embraced a more Islamic approach to foreign policy, including foreign aid for Islamic countries and causes.

When the British were driven out of Yemen in 1967, the newly founded PDRY in the South soon became a base for leftist revolutionaries from the whole region. PDRY-supported guerillas in Dhofar sought to liberate the whole Arabian Peninsula and the upper Gulf states. Particularly in its early years, the PDRY adopted a radically anti-Saudi stance.

Saudi decision-makers such as King Faisal were very worried about a Marxist subversion from the PDRY. Indeed, it is clear from the archival record that the PDRY and communism dominated much of Saudi leaders’ threat perceptions until the Iranian revolution of 1979. King Faisal himself saw communism as a global conspiracy in alliance with Zionism, against which he vowed to fight by all means. His frequent elaborations of this theory, some of them during state visits to the US, caused some embarrassment to US officials.

A number of Saudi leftists and nationalists used Aden, the capital of the PDRY, as a base, and some also fought with the Dhofari rebels. When a distant relative assassinated Faisal on 25 March 1975 and Khalid succeeded him on the throne, a general amnesty was issued to release the remaining political prisoners from left-wing movements and allow those abroad to return. Many Saudi leftists and Arab nationalists took up this offer. Those leftists who continued to be active politically, including some who had profited from the amnesty, became organized in two underground parties, the Communist Party of Saudi Arabia (al-Hizb al-Shuyu’i fi al-Su’udiyya, CPSA) and Hizb al-‘Amal al-Ishtraki fi al-Jazira al-‘Arabiyya (Socialist Action Party in the Arabian
Nonetheless, most became integrated into the burgeoning patronage networks of the post-1973 Saudi state.

**Saudi Arabia and the wider “Third World”**

In the 1970s and 1980s, Saudi Arabia also gave aid and cash to Syria, Jordan, the PLO, North Yemen, Angola, Sudan, Somalia, Djibouti, Uganda, Mali, Nigeria, Zaire, Guinea, Pakistan, Bangladesh, South Korea, Malaysia, Taiwan, and the Philippines, amongst others, to further its foreign policy and broader Cold War objectives. As Bronson put it, “Saudi aid went to anti-Communist, pro-Islamic, and pro-Palestinian causes. Aid was at its most forthcoming when all three justifications overlapped.”

It is important to note that although Saudi Arabia funded pro-Palestinian causes, one of its key aims was to weaken the leftist elements within the Palestinian national movement, particularly the Popular Front for the Liberation of Palestine (PFLP). Thus, funding often went directly to Fatah. This strategy was eventually successful. This was vital for Saudi Arabia since the Movement of Arab Nationalists and the Palestinian left were involved in attempts at spreading the revolution on the Arabian Peninsula—especially through Dhofar and South Yemen, where two movements that originated in the Movement of Arab Nationalists sought to establish a new popular order.

**Afghanistan**

The most dramatic episode of the Cold War collusion between the US and Saudi Arabia took place in Afghanistan. In 1978 a communist regime came to power, and a few months later—although, in contrast to claims made at the time, before the deployment of Soviet troops to Afghanistan in 1979—US President Carter authorized covert aid to the rebels. The war was presented as a battle against a brutal regime that was trying to apply alien communist ideas onto a “Muslim” society. And so the “Moslems” were naturally supposed to rise up against the “communists”. The networks and ideologies that had previously been used in the Arab Cold War and the so-called Safari Club had been used against the Soviet Union.

The key to this story is the relationship between the US—the CIA—and Saudi, Pakistani and Egyptian intelligence. Together, they supported the Mujahidin with money and arms. The networks of the Safari Club also played a key role, despite one of its core members, Pahlavi Iran, had just been overthrown. The remaining members, in particular Sadat’s Egypt and Saudi Arabia, were very concerned about Afghanistan. Sadat saw support for the Afghan Mujahidin as a way of bolstering his Islamic credentials and deflecting the attention of the Muslim Brotherhood and al-Azhar, both of whom supported the Afghan resistance. The idea that Egyptian Islamists would travel abroad to fight rather than cause trouble at home was also popular at the time. Egypt’s large stockpile of Warsaw Pact weapons was shipped en masse to Afghanistan, paid for by Saudi Arabia.

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1 Saudi Arabia played a pivotal role in the Safari Club, an intelligence alliance signed in 1976, which carried out anti-communist operations in Africa in the 1970s and continued to operate throughout the 1980s. From the mid-1970s onwards, then, Africa became a major theatre of the Cold War—after the Watergate scandal, President Carter was keen to avoid direct US and CIA involvement in anti-communist covert operations across the world, and instead preferred to rely on proxies. The other members of the “club” were Iran, Egypt, Morocco, and France. Even if it remains little researched, it is crucial because it was in many ways a precursor of the largest Saudi Cold War operation: the support for the jihad in Afghanistan.
by the US and Saudi Arabia. Saudi Arabia famously matched US funding, channeled through the CIA, “dollar by the dollar”, while Pakistan handled logistics. Several billion dollars were thus funneled to the Mujahidin in Afghanistan.

**The Gulf Crisis and the End of the Cold War**

Despite the lack of official diplomatic relations, negotiations between the Soviet Union and Saudi Arabia occasionally took place, particularly throughout the 1980s. In 1985, secret talks took place in Kuwait, and in 1988, representatives from the Soviet Ministry of Foreign Affairs visited the Saudi Deputy Prime Minister and Foreign Minister in Riyadh. That same year, Saudi Arabia also bought ballistic missiles from China, without having full diplomatic relations with the country and without informing the Americans, who were furious about this. This deal brought to the public eye a secret relationship that had existed for years and was going to take on a significant economic dimension after the end of the Cold War. Saudi Arabia’s strong relations with Taiwan, however, and its self-perception as the spiritual home of Muslims in China, set clear limits to Saudi-Chinese relations.

Saudi Arabia only formally established diplomatic relations with China in 1990, and reestablished them with the soon to be dissolved Soviet Union in the same year. Saudi Arabia and other Gulf governments then granted the Russians a $3 billion loan package. Saudi-Syrian relations improved dramatically, as the Syrian Ba’ath regime – the Iraqi Ba’ath’s archenemy – cooperated in the international coalition to liberate Kuwait. As a result, some of the few Saudi communists in Damascus moved to London, and the party and its successor organizations ceased to exist by 1993. The PDNY, the only Arab Marxist state and a key sponsor of leftists in the region, also ceased to exist, and on 22 May 1990 North and South Yemen united to form the Republic of Yemen.

The end of the Cold War thus eliminated the perceived threat of communism in Saudi eyes, but the mass deployment of American troops to the country for the “liberation” of Kuwait had its own consequences, leading to a broad-based Islamic opposition to the regime.

**Conclusion**

Although in the Middle East and Central Asia Israel and Iran were until 1979 the leading American allies, a reappraisal of the Saudi role in the Cold War can provide new light on the second half of the Cold War, in particular in the Global South. Saudi Arabia underwrote American and French-led anti-communist intelligence and military operations, some of which might not have been funded otherwise because of restrictions on the funding of covert operations. In addition, religion, and in particular conservative Sunni Islam, was a crucial ideological weapon throughout the Cold War. In this ideological battle, Saudi Arabia was again key.

Nonetheless, one should not overstate Saudi agency in all this, as the broader outlines of Cold War policy were drawn up in the US and in some instances in the UK (Southern Yemen and the Gulf) and France (Africa). In that context, these global powers took the lead in anti-communist activities, and decided on the broader policies, with regional allies playing a secondary role.
The security alliances that were bolstered throughout the 1970s continued to be of great importance throughout the 1980s and into the post-Cold War era. Thus, the US-Saudi alliance and the broader position of the Gulf Cooperation Council states in the global neoliberal economic and political order dominated by the United States has to be understood with reference to the origins of this alliance in the Cold War.