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**From:** sbwhoeop [redacted]  
**Sent:** Friday, February 12, 2010 1:58 PM  
**To:** H  
**Subject:** H: memo on Saudi/Chas Freeman. Glad Bill is well. Sid  
**Attachments:** hrc memo saudi 021210.docx

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CONFIDENTIAL

February 12, 2010

For: Hillary  
From: Sid  
Re: Saudi Arabia

I have been in contact with Chas Freeman, former ambassador to Saudi Arabia, and he has sent me his most recent public speech on the subject. He says the policy part is toward the end, and that King Abdullah's new university (KAUST) is an important initiative. He also relates that the atmosphere is near toxic because of Obama's failure to follow up his Cairo speech and the rebuff from Netanyahu. Cynicism, at best, is pervasive among the Saudi elite.

**Saudi Arabia: The End of Progress without Change**  
Remarks to the Sarasota Institute for Lifetime Learning

Ambassador Chas W. Freeman, Jr. (USFS, Ret.)  
Sarasota, Florida, February 11, 2010

I have been asked to speak to you about the Kingdom of Saudi Arabia. This is a topic I have never before addressed to an American audience. Why bother?

We Americans reserve the right to have strong opinions on the basis of little or no knowledge. There are few countries that better exemplify our assertive ignorance of foreign geography, history, and culture than Saudi Arabia. Most of us are convinced that Saudis are Muslim zealots, control the world's oil prices, and are absurdly rich, anti-feminist, and undemocratic. They hate our values and want to destroy us. Talk radio confirms this. What more needs to be said?

On reflection, a lot does. Neither caricature nor a priori reasoning is a sound basis for policy. A distorted view of foreign realities precludes success at dealing with them. There is much at stake in our relationship with Saudi Arabia. We can ill afford to get it wrong.

That country is, of course, the heartland of Islam and the custodian of the world's largest oil reserves. It lies athwart transport routes between Asia, Europe, and Africa. It is at the center of a growing concentration of global capital. Under any circumstances, the Kingdom of Saudi Arabia would be important. It is all the more so in an era when we Americans are at war with ever more peoples in the Islamic world, depend on ever greater amounts of imported energy, and need ever larger foreign loans to run our government and sustain our life style.

Yet Saudi Arabia is little known. It is the only society on the planet not to have been penetrated by Western colonialism. No European armies breached its borders; no missionaries; no merchants. Its capital, Riyadh, was long off limits to infidels; the holy cities of Mecca and Medina remain so today. When Westerners finally came to Saudi Arabia, we came not as the vindicators of our presumed cultural superiority, but as hired help. As a result, some say that Saudis secretly see the world's peoples as divided into two basic categories: (1) fellow Saudis; and (2) potential employees. Be that as it may, foreigners, Western, Asian, or Arab, who have lived in Saudi Arabia all see it as a very strange place – one that is not easy to understand and that remains at odds with many of the values non-Saudis profess.

The Kingdom has long stood apart from global norms. Its system of government draws on tribal and Islamic traditions rather than Western models. Its king presides rather than rules over the royal family and Saudi society. His responsibility is less to make decisions than to shape and proclaim consensus, while assuring a share of the national wealth to all, especially the least privileged. Saudi Arabia levies no taxes on its citizens, other than the religious tithe known as "zakar" – a two-and-a-half percent annual donation of private capital to charity and other public purposes. All Saudis enjoy free education and medical care from birth to death and can pursue these services at home or abroad, as they wish. The Kingdom has no parliament, though it does have elaborate informal mechanisms for consultation with its citizens on policy matters. Saudi Arabia reverses and thereby affirms a basic principle of American political philosophy. "No representation without taxation."

Unlike some other countries in the Arab Gulf, Saudi Arabia has invested its oil wealth at home, not abroad, though it has long been generous with foreign aid. (At one point it was donating six percent of GDP to other, mostly Muslim, nations.) The desperate poverty of the pre-oil period is now, at most, a dim memory. Over the lifetime of elderly Saudis, the Kingdom's per capita income has risen about one hundred fold. Sparsely populated mud-walled villages have grown into huge air-conditioned cities with 21<sup>st</sup> Century architecture. Today, Saudis are not just literate; many have university degrees. There are more U.S. Ph.D.'s in the Saudi Cabinet than in our Cabinet and Congress put together.

Despite rapid development, the strong family structure that characterized traditional Saudi society has remained largely intact. It is truly moving to see how lovingly children and grandchildren care for their elders in the Kingdom. Saudi Arabia's unique social stability is reflected in the fact that almost none of its citizens emigrate, though many have second homes abroad, and a few, like Osama BinLadin, have been exiled for deviant behavior.

For a long time it was easier for journalists and academics to get a visa to Tibet than to Saudi Arabia. Perhaps this accounts for the near total lack of institutions and scholars that study the place. In the United States, 9/11 was followed by an avalanche of polemical tracts, but there are still very few books about the Kingdom that reflect its realities rather than the authors' biases or propagandistic agendas. Lack of personal familiarity with the Kingdom helps explain the repeated prediction by pundits that the Saudi monarchy is in jeopardy. Generations of such pundits have passed away. The Kingdom has not. When I was ambassador to Riyadh, I was so struck by the apparent social stasis that I briefly thought the national motto should be

“progress without change.” But in fact change is a constant in Saudi Arabia. Most of it comes from the top down.

Not all Saudis are happy with the status quo. Some are angry about the extent to which the Kingdom is opening up and reforming. Others are impatient to get on with reform. The ranks of the latter clearly include King Abdullah bin Abdulaziz Al-Sa`ud, the current ruler. Now in his late eighties and on the throne only since 2005, he has surprised everyone with the vigor of his efforts to modernize Saudi society and to reshape its relationships with the world beyond its borders. Saudi Arabia has plenty of problems to keep the king engaged.

A lot of issues derive from the peculiar religious heritage of the Saudi state. The current Kingdom of Saudi Arabia (now over a century old) is the third political structure to ally the House of Sa`ud with the family of the eighteenth century religious reformer Shaykh al Islam Mohammed ibn `Abd al-Wahhab Al-Tamimi. Ibn `Abd al-Wahhab's writings form the doctrinal basis of so-called Wahhabism, a notoriously intolerant and socially conservative form of Islam that is often confused with other reactionary religious traditions like that of the Taliban. Saudi history has involved a sustained effort by the Kingdom's rulers to persuade its religious scholars and their puritanical followers to embrace change and to open up to the outside world. This struggle has mainly been peaceful and virtually invisible to outsiders. Sometimes, however, it has engendered violence. In 1975, for example, the late King Faisal paid with his life for instituting public education for girls and for introducing television to his nation.

Both as regent (from 1996 to 2005) and more recently as ruler, King Abdullah has been so careful to avoid drama in his promotion of change that it is truly startling to review the cumulative results of his leadership. Take women's issues, for example. In 2002, responsibility for girls' education was transferred from the religious authorities to the ministry of education. Women now make up 58 percent of the enrollment in Saudi universities. The new Princess Noura bint Abdulrahman University for Women, currently under construction in Riyadh, will enroll 40,000 students this fall.

Female participation in the labor force is rising rapidly. Twenty-nine percent of women now work outside the home. (That is a low figure compared to our own but represents a remarkable advance for the Kingdom.) One-third of civil service positions have been reserved for women. The first woman took her seat in the Council of Ministers last year. After a bit of a kerfuffle, the Kingdom's religious scholars finally endorsed coeducation at the new King Abdullah University for Science and Technology. That was big blow to the legitimacy of gender apartheid. A Saudi friend and I are betting that it will not be long before women in the Kingdom can drive. We plan to clean up by building the separate road system this may require. (That's a joke, I hope.)

A word about the vision embodied in the King Abdullah University for Science and Technology. Founded by the king last September with an initial endowment of ten billion dollars, KAUST is an international, graduate-level research university. It sits in a two-billion-dollar campus on the Red Sea about seventy-five miles northwest of Mecca. On one level, it is the leading element in an effort to prepare the Kingdom for a knowledge-based economy that can complement and eventually supercede the current reliance on energy exports. But on another level, it is a powerful answer to the religious zealotry that terrorist movements like al Qa`ida espouse. Let me explain.

There is a broad consensus among the world's 1.6 billion Muslims that the modern age is ethically corrupt and that religious faith needs reinvigoration and renewal. Much like early Christian Protestants, many believe that the way to achieve this is to rediscover and reaffirm the values of their religion's earliest times. When he inaugurated KAUST, King Abdullah explained that he envisaged it as a reborn Bayt al-Hikma or “House of Wisdom.” The original “House of Wisdom” was founded in Baghdad around 760 C.E., in the second century of the Muslim era. It was where the Arabs incorporated Greek, Indian and other foreign knowledge into Islam and conceived much of modern mathematics, astronomy, medicine, chemistry, zoology, and geography. It made Islamic civilization the global leader in science and technology. The “House of Wisdom” prospered in an age of tolerance, when Jews and Christians served alongside Muslims as ministers of government. Though

destroyed by the Mongols in 1258, the knowledge it preserved and developed eventually found its way to Europe, where it sparked the Renaissance.

Today, like mainstream Muslims, the extremists of al Qaeda and related movements argue that Islam must return to its roots. But they portray early Islam as puritanical, xenophobic, intolerant, and oppressive of women. KAUST is a living rebuttal of this historical fallacy and the ideology of hatred derived from it. It was conceived as a new "House of Wisdom." It stands for the principle that Islam was founded as and can only be reborn as the religious guide to a society open to ideas from other traditions. It represents a call for return to an Islam tolerant of foreign ways, respectful of women, dedicated to the scientific study of God's handiwork, and committed to the development of new technologies to better the human condition. KAUST is as much an instrument of religious renaissance and an answer to extremism as it is an academic institution.

This brings me to the issue of religious tolerance. In 2003, King Abdullah inaugurated what he called a "national forum for intellectual dialogue." This ongoing national dialogue is an unprecedented acceptance of religious diversity in the Kingdom. It marks an end to longstanding official discrimination against its Shiite minority. In 2007, King Abdullah made an historic call on the Pope in the Vatican, the first time a Muslim leader of his stature had done so. In 2008 he organized two unprecedented international interfaith conferences between Muslims, Jews, Christians, Buddhists, and others at Madrid and New York. He intends this dialogue, too, to be a continuing process.

There are other major domestic reform initiatives in progress, like a complete revamping of the Saudi educational system and curriculum, experiments with elections at lower levels of government and civil society, efforts to shift the Kingdom toward reliance on alternative sources of energy, the development of a huge new petrochemical industry to complement the production of energy in its primary form. Time will not permit me to describe these developments. My point is simply that there is a great deal more going on in Saudi Arabia than our press and pundits seem to realize.

That said, everything is, of course, relative. Sadly, to many Saudis, the history of their nation suggests that the more religiously upright they are, the more oil comes out of the ground. The Kingdom continues in many ways to belie God's admonition in the Holy Quran that "there can be no compulsion in religion." The open practice of religions other than Islam remains banned. The status and role of women in Saudi society is controversial and far from settled. Despite efforts at "Saudiization," foreign workers continue to dominate the employment market, while demanding a premium to compensate for the discomfort and stress that Saudi Arabia's religiously sanctioned mores impose on them. Methods of political consultation that worked in a more cohesive and less populous Saudi Arabia can no longer produce consensus. The fiscal basis of the state continues to be oil exports, and oil is a commodity whose price fluctuates unpredictably. There is, in other words, a very long list of problems for Saudis to work out in coming years.

Let me turn briefly to Saudi Arabia's foreign relations before reviewing the state of our country's interaction with it.

In foreign even more than domestic affairs, King Abdullah's impact has been little short of revolutionary. He has overseen the negotiated settlement of the Kingdom's long-disputed borders with all of its neighbors. He brought Saudi Arabia into the World Trade Organization, ensuring that its trade and investment activities for the first time follow internationally agreed rules. In 1982, at Beirut, he led the Arab League in an historic reversal of policy toward the Israel-Palestine issue. Saudi Arabia had long insisted that it would be the last state in the region to recognize and establish relations with Israel. At Beirut, King Abdullah committed to be the first to normalize relations with Israel upon its achievement of a mutually acceptable arrangement for coexistence with the Palestinians. He persuaded all other Arab countries to promise they would do the same. To his great frustration, Israel did not respond. Since then, hope for a two-state solution that could gain acceptance for Israel in the region has dimmed.

Many of Saudi Arabia's foreign policy challenges stem from recent American policies in the region. These policies have had the effect of liberating Israel from all constraints on its settlement activities and belligerent intervention in its Arab neighbors, installing Iran as the dominant political influence in both Iraq and Lebanon, consolidating rather than eroding the Syrian-Iranian alliance, pushing Hamas into the arms of the Iranians, and raising regional tensions over Tehran's nuclear program while doing nothing effective about it. Then there is Afghanistan, where the United States now seems to be engaged in a crusade against militant Islam – one that many in the region now fear may soon extend to Yemen. Saudi counter-terrorism specialists, who have a well-deserved international reputation for effectiveness, are convinced that the most efficient way to radicalize Muslim populations and encourage terrorism against the United States and its foreign policy partners is to invade, occupy, and humiliate them. They believe that the panicked militarism of the U.S. response to 9/11 was exactly what groups like al Qaeda hoped for. They see no sign that the United States is about to abandon actions and policies that metastasize extremism and stimulate terrorist reprisal against Americans and our foreign friends.

No longer willing to be publicly associated with U.S. policies in the Holy Land, Iraq, Afghanistan, and elsewhere that radicalize the region and menace the Kingdom's own security, Saudi Arabia is actively attempting to reduce its historic dependence on America. To this end, it is building new relationships with countries like China, India, and Russia, while strengthening cooperation with longstanding partners in Europe and Asia like Britain, France, Germany, Japan, and south Korea. It is not that the Kingdom has given up on the United States. As the king's scholarship program for Saudi students in this country evidences, Saudi Arabia continues to reach out and seek improved relations with America. But Saudis no longer trust us to take their interests into account or to protect them from their enemies.

In December 2002, as the U.S. prepared to invade Iraq against the forcefully expressed advice of then Crown Prince Abdullah, Saudi Aramco (the world's largest oil company) quietly abandoned a decades-old subsidy for the cost of shipping oil to the North American market. Within months, China replaced the United States as the Kingdom's biggest overseas market for oil. U.S. exports have remained relatively constant as the Saudi Arabian economy has boomed, dramatically reducing our market share in our largest Middle Eastern market. Ironically, the best element of the US-Saudi relationship is now cooperation against terrorists. This is a task in which the Saudis have perforce learned to excel. American policies ensure an endless supply of angry young Muslim men in the region, including in Saudi Arabia.

The United States is now said to have entered a "long war." The last time we did so, in 1947 with Soviet Communism, the enemy was obvious, George Kennan gave us a strategy, and skillful American diplomacy gave us the allies we needed to pursue it. Kennan's "long telegram" from Moscow outlined a comprehensive approach to the political, economic, cultural, and military containment of the threat to our survival and our values posed by the Soviet Union. We followed his outline. Forty years later, as Kennan forecast, without our having to go to war with the USSR, our Soviet enemy collapsed of its own infirmities.

This time, our "long war" is with various Islamic extremists, tribes, sects, and societies. We're not quite sure who our enemy is. No Kennan has emerged to give us a strategy for winning without fighting or, indeed, any "strategy" at all. Instead, we are flailing about with our superbly lethal military in response to events. Lacking a strategy, we have been unable to recruit foreign partners to support one. We are now alone in Iraq. We are isolated internationally on the Israel-Palestine issue. Our NATO allies are with us in Afghanistan out of consideration for NATO, not because they think we know what we are doing. Many of them have already announced their intention to withdraw. Pakistan is with us only because all its alternatives are worse.

Saudi Arabia and America head al Qaeda's enemies list. The Kingdom has, however, been successfully vilified in the eyes of the American elite and public. To deal effectively with Islamic extremism, we need Muslim allies. There is none more potent than the Kingdom of Saudi Arabia. Yet we have made no effort to seek its advice about how to address the challenges of Islamic extremism. We have not sought its help to legitimize an

effective political, informational, cultural, and economic strategy for productive engagement with the Islamic world.

Meanwhile, however, many things now happening in the Kingdom – like the implicit message of the king’s vision for KAUST – suggest that such a partnership with Saudi Arabia and Arab nations of like mind is possible. Such a partnership could be the basis for a strategy to bring victory in this latest “long war.” The common interests on which to forge an alliance are clearly there. Last June in Cairo, President Obama brilliantly articulated a credible basis for sound relations with the Islamic world. His vision was persuasive, but it remains a mirage, not a reality. It is past time to implement it. An intensive effort to reset the relationship with Saudi Arabia and to craft a common antiterrorist strategy with its king would be a good place to start.