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## **OCTOBER 1973: RISE OF A KINGDOM OR EMPIRE?**

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UNITED STATES MILITARY ACADEMY

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## **Preface**

Located in Western Asia, the Kingdom of Saudi Arabia is a country with a deep rooted cultural background and a tremendous appreciation for individual and communal privacy. Little is really understood about the intrinsic kingdom. It was only until the end of the twentieth century that the Saudi kingdom gained the perception as a dominant power in the Arab world and one of the few Arab countries that the average American is likely to be aware of, as Saudi Arabia was involved in multiple interstate conflicts and incidences throughout its short history. In October 1973, Saudi Arabia placed an oil embargo on countries that were deemed as supporters of Israel during the 1973 Arab-Israeli war.

The lack of historical or academic focus by Middle East historians on the incident may imply a belief that the incident was insignificant. This, however is far from the truth. The 1973 Oil embargo changed the perceptions of the United States Government on the capabilities and willingness of Saudi Arabia to achieve its political and economic interest as a sovereign state. The 1973 Oil Embargo changed the United States Government's perceptions of the Saudi monarchy from viewing it as an economically dependent country that could only guarantee a steady supply of cheap oil for the United States, to be perceived as a sovereign state that was willing to enforce its own economic and regional interest.

The focus of this paper is on the bilateral relationship between Saudi Arabia and the United States. Other Arab states and Israel are not primary factors in this relationship during the events of the oil embargo, hence the focus on the Saudi-American relationship.

This essay will analyze the Saudi-American relationship chronologically. To better understand the impact of the oil embargo on how it changed the perceptions of US policy makers

towards Saudi Arabia. American perceptions of Saudi Arabia before the embargo will be first be outlined. The focus will be in the period after the 1967 Arab-Israeli war and the transition from the Lyndon B. Johnson administration to the Nixon administration in 1969. The perceptions and changes in perceptions of Saudi Arabia by US policy makers will then be described during the oil embargo from October 1973 to March 1974. Finally, the impact of the oil embargo and the changes of perceptions that resulted from it will then be described. The time period will be from the end of the embargo until 1979, before the second oil crisis.

### **Introduction**

Historians simply mention the oil embargo in their works on the Saudi-American relationship, usually by dedicating a chapter or sub-chapter to discuss the oil embargo and the role it played in the Arab-Israeli conflict.<sup>1</sup> It is usually framed as a by-product of the 1973 war, rather than as a turning point in the relationship between the US and Saudi Arabia.<sup>2</sup> The common perception in the Arab world was that the oil embargo was the most impactful decision that King Faisal did in the name of Palestine. The oil embargo is remembered for the impact it had domestically on countries that financially aided Israel and the admiration for King Faisal following the incident.

Historical interpretations of the oil embargo and the effects it created are consistently seen as a negative event. While they agree that it was a reaction to US support of Israel during the 1973 Arab Israeli war, the arguments for the impacts of the embargo changed overtime. Early works by Edward Said in *Orientalism* and Albert Hourani in *Arab Peoples* viewed it as a

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<sup>1</sup> Albert Hourani, *A History of The Arab Peoples*, (New York: Warner Books, 1991), 356.

<sup>2</sup> Douglas Little, *American Orientalism: The United States and the Middle East since 1945*, (Chapel Hill: University of North Carolina Press, 2002).

negative event that showed Arab weakness and further antagonized them from the West.<sup>3</sup> The general argument is that the oil embargo showed the extent of American influence in Middle East affairs. Overtime, it became viewed as a moment of Arab empowerment and economic strength. Historians such as Douglas Little and Thomas Lippmann viewed it more as an economic move by the Saudis to assert greater control over the oil market.<sup>4</sup> Other historians such as Robert Vitalis, makes no mention of the oil embargo in his work.<sup>5</sup>

This paper aims to place greater emphasis on the significance of the oil embargo on US perceptions of the Kingdom. In doing so, this essay challenges the view of America as a neo-imperial power in the Middle East. Skeptics of the Kingdom's legitimacy and sovereignty argue that the US uses the Saudis as a puppet to gain access to oil, in that the Saudis only operate within American interests.<sup>6</sup> The 1973 oil embargo is evidence of the contrary, as it demonstrated Saudi Arabia's willingness to exercise its soft power in order to enforce its regional interests. Thus, the oil embargo bolstered the Kingdom's sovereignty, despite acting against the US's interest.

Additionally, this paper aims to counter the Orientalist perceptions of the Arab world that still exist in the US government official's decisions and monographs that discuss Arab countries and the Arab-Israeli conflict. Orientalism is a term coined by political scientist Edward W. Said in his book *Orientalism*. Although the term existed prior to Said's book release in 1978, he gave the term a more modern description. The term orientalism is most commonly associated with the

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<sup>3</sup> Hourani, *A History of The Arab Peoples*

<sup>4</sup> Thomas W. Lippman, *Inside the mirage: America's fragile partnership with Saudi Arabia*, (Boulder, Colo.: Westview Press, 2004).

<sup>5</sup> Robert Vitalis, *America's Kingdom: Mythmaking on the Saudi Oil Frontier*, (Stanford: Stanford University Press, 2007).

<sup>6</sup> Ibid.

stereotypical perceptions of Middle Eastern people and culture by the West.<sup>7</sup> Said argues that this is part of colonial mentality that still exists in the post-colonial world. It comes from the perception of viewing the Middle East as the “other,” being mysterious and alien to the more “civilized” West.<sup>8</sup> The limitation of this term, as described in Said’s book however, is its lack of specificity. Orientalism could refer specifically to the Arab world or the Middle East entirely. It can also refer to all of Asia or specifically Far East Asia. Within context of this paper, orientalism focuses on the Arab world and its interaction with the Nixon administration. The misperceptions of the Arab world and Arab heads of state due to the reliance on an Orientalist perspective by the Nixon Administration only served to perpetuate the complexity of an already difficult political situation. Thus, this thesis aims to show the impacts of such orientalist perceptions by US policy makers on Arab states, as the oil embargo confirmed these perceptions.

The Kingdom of Saudi Arabia was unified under King Abdul-Aziz (known as Ibn Saud in the West) on September 23, 1932. It was recognized by the United States on May 1, 1931 and began full diplomatic relations on February 4, 1940,<sup>9</sup> which made the Kingdom the oldest ally to the United States in the Middle East. It is an absolute monarchy governed along Islamic lines. The royal family, Al Saud, governs the secular matters in the country while religious matters are governed by the clergy. The clergy, known as the Wahhabis, grant legitimacy to the royal family by ensuring that they operate Islamic lines. The kingdom faces multiple challenges as a result of its geography and historic traditions. The kingdom’s responsibility to manage the two holiest sites in Islam places the expectation that the Kingdom is a religious leader in the Muslim world.

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<sup>7</sup> Edward Said, *Orientalism*, (New York: Vintage Books, 1979).

<sup>8</sup> Ibid. 286.

<sup>9</sup> Department of State, “Saudi Arabia.” *A Guide to the United States’ History of Recognition, Diplomatic, and Consular Relations, by Country, since 1776*, Washington. <https://history.state.gov/countries/saudi-arabia>

This creates a broad range of opinions for what the Saudis role should be in the world and how the country should be structured.

At the time of the embargo, the King of Saudi Arabia was King Faisal bin Abdul-Aziz Al Saud. He was the third king of Saudi Arabia and ruled from 1964 after deposing his half-brother, King Saud, until his assassination in 1975. He is considered one of the most influential leaders throughout the Islamic world during the twentieth century. He was known as being a modernizer and reformist domestically. He was a pioneer in advancing Saudi foreign relations and bringing Saudi Arabia closer to neighboring Arab countries. In doing so, he created the Organization of Islamic Cooperation in 1967.<sup>10</sup> His respect and admiration throughout the Muslim world was bolstered as a result of the oil embargo, something still remembered in the Arab world.

The stereotype of a rich country built on oil is a recent development in the late twentieth century. Prior to 1973, oil was extracted by American oil companies. The Saudis lacked the technology or funding to go about the process. As such, oil profits were split fifty-fifty between the Saudis and Americans through the Arabian American Oil Company (ARAMCO).<sup>11</sup> Due to its small economy prior to the 1970s, the United States perceived that the country was not a major player in the region. Militarily, it lacked personnel and technology to assert itself conventionally. Despite some differences between other Arab states, Egypt in particular, there were never any serious tensions.<sup>12</sup> Politically, the only leverage the kingdom had prior to the oil embargo was their responsibility of the two holy mosques and its new found oil reserves. By 1988, the Saudis completely nationalized the oil industry after decades of buying out shares.

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<sup>10</sup>Al-Rasheed, *A History of Saudi Arabia*, 128.

<sup>11</sup> Ibid. 104

<sup>12</sup> Ibid. 123.

It is clear that the US government's perceptions of Saudi Arabia shifted as a result of the oil embargo. The US did not realize the willingness of King Faisal to enforce Saudi Arabia's regional political interest by risking the Kingdom's economic stability. Prior to the oil embargo, US foreign policy view of Saudi Arabia was it was a predictable player in the Middle East. They viewed Saudi Arabia as an economic power reliant on the US and other Western countries for oil purchases. King Faisal was seen as a reliable ally that was not susceptible to communist influence, which he made clear that the Kingdom's ideals did not align with communism.<sup>13</sup> The priority of the Nixon Doctrine was ending the war in Vietnam. As such the US's relationship with Israel and Saudi Arabia was not different from its predecessors.<sup>14</sup> Especially after the Arab loss during the Six-Day war, any threats to US interest in the Middle East were unlikely.

When the oil embargo initiated in during the October war 1973, the Nixon administration did not anticipate the impacts of an embargo. King Faisal issued several ultimatums of an embargo to Western countries that supported Israel militarily and financially. Although some nations responded by disengaging from Israel, the US ignored the warnings and continued its support. This is what triggered the oil embargo. The Nixon administration misread the intent of the Saudi's oil embargo, and did not believe that King Faisal would act out his state's own interests. They believed it to be an emotional reaction that would eventually backfire and harm the Saudis' economy. However King Faisal remained committed through his actions, and created a shift in the perceptions US government had of the Saudis and their capabilities. During the months of the embargo, the Saudis political influence became much more prevalent to the Nixon administration

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<sup>13</sup> Nixon, Richard M. *RN: The Memoirs of Richard Nixon*. 1978.

<sup>14</sup> Marshall Green, *The Nixon doctrine: a progress report*, (Washington, U.S. Govt. Print. Off., 1971).

The decision to have an oil embargo was a calculated risk by the Saudis in order to bring the US to negotiations. It was a rational decision in which King Faisal exercised *Realpolitik* in order to shift the US' focus in the Middle East to rely more on Saudi Arabia. Although the embargo antagonized the Saudis in the eyes of the West, they succeeded in gaining attention from the US. Saudi Arabia was now perceived economic and political power in the region that the US would have to rely on.

### **Limitations**

The scope and focus of this thesis is limited by several factors, primarily the lack of Saudi-authored or published primary and secondary sources. The reason for such is a lack of physical access to resources and documents that discussed the oil embargo. There are barely any Saudi historical works that describe the oil embargo in any regard. Most historical works that discuss Saudi Arabia or King Faisal's actions during the oil embargo are authored by western writer who relied on primary sources from news articles and US State Department archives. Very few of these Western authors resided in Saudi Arabia long enough to gather information on the Kingdom's perspective of the oil embargo. The only primary sources from the Saudi perspective that were accessible for this thesis are translated letters and memorandums to the Nixon administration from Saudi officials in the State Department archives. This limits the perspectives and responses of the Saudi government with regard to their observations of how the US perceived and interacted with them during the embargo. Archive access is open for research in Saudi Arabia through public libraries. However, generally speaking, government documents are mostly classified. This narrows the analysis by the lack of access to observe the effects of the American perception of Saudi Arabia.

As such, this thesis is focused on the response and change in American perceptions of Saudi Arabia as a result of the oil embargo. There was a broad spectrum of opinions within the US towards Saudi Arabia. This work will focus on the official opinion as presented by the Nixon administration. The reason for this due to the role of the executive in American politics as the chief diplomat and representative of the government in foreign affairs. Sources indicate that the Nixon administration had the most interaction with the Saudi monarchy during the 1973 war and the embargo.

This thesis seeks to address the limitation of the lack of discussion by many historians on the oil embargo. While there are numerous primary sources that document the oil embargo, most historians dedicate a chapter or subheading to the oil embargo. Few historians argue that the oil embargo was a significant incident that had just as much of an impact as the 1973 October War itself. This is contrary to the belief in the Arab world, that the oil embargo was a moment of empowerment for Arab nationalism.

### **Part 1: Before the Embargo (1969-1973)**

In 1969, President Richard Nixon became the 37<sup>th</sup> President of the United States. Regardless of the controversy that surrounded Nixon, he brought about undeniable changes in the US' foreign relations with the world. To include the relationship with Saudi Arabia. American perceptions of the modern Saudi state underwent the greatest change during the Nixon administration. As observed through Nixon and Secretary of State Henry Kissinger's personal memoirs. Although in his memoirs, Nixon also discussed some of his policies' in regard to Saudi Arabia, Kissinger, understandably, provides a much more thorough account.<sup>15</sup> This is due to the

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<sup>15</sup> Henry Kissinger, *Years of Upheaval*, (Boston: Little, Brown, 1982), 2.

other priorities Nixon had in ending the Vietnam War, focusing on détente, dealing with Watergate, and establishing relations with China. As such, Kissinger was more directly involved in Middle East diplomacy during the Oil Embargo.

From 1969 to 1973, the US' diplomatic relations with the Arab states were shaped by the events in 1967, to include Saudi Arabia. Gamal Abdel Nassir withdrew from a failed intervention in the Yemeni Civil war, partly due to the Saudi's support of the Yemeni monarchy. The Arab states suffered a clear defeat in the Six-Day war, which Saudi Arabia was not directly involved in.<sup>16</sup> The oil embargo that year against governments that supported Israel did little to impact their respective economies.<sup>17</sup> The major oil producers were not involved in the embargo and the Western oil producing companies still held significant shares in the Arab oil market, which prevent it from having a significant effect. Nassir, who at the time was considered the leader of the Arab world, lost nearly all of his credibility with fellow Arab heads of state and the United States. He would be succeeded by Anwar Sadat after his death in 1970, who prior to the 1973 War, was perceived to be weak. Additionally, the US' strong foothold in Israel, combined with the USSR's failed attempts to have its own foothold in the Middle East, made the US government less concerned about any threats to regional stability. As such, the Saudis, like nearly all Arab countries at the time, seemed unimportant to American interests. The perception was that they were closed off from more "powerful" Arab state, such as Egypt and Syria.<sup>18</sup>

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<sup>16</sup> Madawi Al-Rasheed, *A History of Saudi Arabia*, (New York: Cambridge University Press, 2002), 130.

<sup>17</sup> During the Six-Day war, the Arab states, including Saudi Arabia, did an oil embargo against the United States. It did little to effect the US oil supplies and ended after three months.

<sup>18</sup> Central Intelligence Agency, *The Outlook for Saudi Arabia, National Intelligence Estimate*, Washington, 7 April 1970.

The Saudis were thus perceived as a predictable player in the region that relied on Western oil markets for its income and political stability. At the time, American diplomats assessed Saudi Arabia as more focused on generating income from its oil production despite regional antagonism and political interests with regard to Israel.<sup>19</sup> This was despite the changes that were occurring in the oil market in the late 1960s. During that time there were several interruptions in oil shipments as a result of the Suez Canal closing, but the Arab states still maintained oil exports to NATO and Japan. It was estimated in 1970 that that oil producing countries, including Saudi Arabia, would eventually surpass American oil companies in their ability to supply oil for the growing demand of oil at lower prices. In 1971, Saudi Arabia won negotiations to own 51% of its oil supplies from what was previously 100% ownership by US companies in Saudi Arabia.<sup>20</sup> It became clear that oil producing countries would become the primary supplier in the world oil market in place of US oil companies by the beginning 1980s.<sup>21</sup>

Despite the leverage that oil producing countries were gaining, specifically Saudi Arabia, the perception was that they were too focused on generating national income from oil at the cost of political interests. The US government perceived the risks of another potential embargo was more likely if tensions rose between Iraq and neighboring Syria. Additionally, US policy makers were aware of King Faisal's strong stance against communism, which reinforced the guarantee of steady oil income to the US from the Saudis. While many oil producers in the United States at the time also still reliant on domestic oil production, the Saudis were nonetheless dependent on

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<sup>19</sup> Central Intelligence Agency, *Security of Oil Supply to NATO and Japan, National Intelligence Estimate*, Washington, 14 November 1970.

<sup>20</sup> Douglas Little, *American Orientalism: The United States and the Middle East since 1945*, (Chapel Hill: University of North Carolina Press, 2002), 17.

<sup>21</sup> Central Intelligence Agency, *Security of Oil Supply to NATO and Japan, National Intelligence Estimate*, Washington, 14 November 1970.

NATO demand to remain solvent, and thus US policy makers dismissed the Saudi's awareness of their own growing control of oil.<sup>22</sup>

The Nixon administration's perceptions of the Saudis before the oil embargo was characterized by the Saudi need for western oil buyers, the weakness of its military, animosity with Egypt, stance against communism, and high regard for King Faisal as a moderate reformer in the region. As such, the Saudi's were seen as a predictable player in the Middle East and would not risk an embargo for the sake of political interests. Despite the leverage it was gaining with an ever increasing demand for Saudi oil and the demands to return Palestine to the pre-1967 borders, the Saudi's threat of an oil embargo was not seen as a threat.

Since King Faisal assumed the throne in 1964, he embarked on multiple movements to reform the kingdom. The abolishment of slavery and implementation of public education for women were some of his milestones.<sup>23</sup> Additionally, he was strongly anti-communist, and openly voiced his stance that the USSR was a threat to regional stability.<sup>24</sup> By the time Nixon assumed office, he perceived the Saudis as a reliable ally in the Middle East, and that the Saudis and Iranians were "twin pillars" of stability in the region.<sup>25</sup> King Faisal was seen as a moderate reformer in his country who focused on domestic reforms while maintaining Saudi Arabia's sovereignty with the world. This gave him respect amongst his fellow Arab heads of state and the United States. The Nixon doctrine in the Middle East continued US support for Israel and relations with the Saudis, which was perceived as a moderate Arab country. This was in line with

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<sup>22</sup> "Nixon's Strategy in the Middle East," *MERIP Reports*, no. 13 (1972): 3-8,  
doi:10.2307/3012227.

<sup>23</sup> Madawi Al-Rasheed, *A History of Saudi Arabia*, (New York: Cambridge University Press, 2002), 122.

<sup>24</sup> *Ibid.*

<sup>25</sup> Douglas Little, *American Orientalism: The United States and the Middle East since 1945*, (Chapel Hill: University of North Carolina Press, 2002), 136.

the doctrine to supply economic and financial aid to allied nations but not directly intervening in matters.<sup>26</sup> To which he looked to set up new relations with Arab states, to counter potential soviet influence in the Middle East.<sup>27</sup> With the financial and political support of Israel as the priority, all policies with Arab countries followed.<sup>28</sup> This included resolving the Palestinian crisis and maintaining open negotiation with the Saudis in order to guarantee oil imports. The primary concern for relations with the Saudis was to guarantee political stability with them to guarantee a constant supply of oil for NATO and Japan.

Despite the importance of Saudi oil in their foreign policy, the Nixon administration perceived the Saudis as second to the Egyptians and Syrians.<sup>29</sup> In Nixon's memoirs, he dedicated a chapter to each of his presidential terms. Throughout, he mentioned Saudi Arabia and/or King Faisal less than ten times in all the sections that discuss the 1973 war and the oil embargo.<sup>30</sup> Interestingly, he refers to the Arab world as "Sadat and the Arabs" throughout his memoirs.<sup>31</sup> This has several implications for Nixon's perceptions of the Saudis.

The first was that he saw the Saudis as being subordinates to the Egyptians, where Sadat was perceived as the leader of the Arab world. This indicates the Nixon administration's lack of awareness for the Saudis' history with the Egyptians. In 1962, the Saudis supported the Shiite Yemeni monarchy against the Egyptian backed socialist revolutionaries during the Yemeni Civil War. Ironically, King Faisal financially supported Gamal Abdel Nasir in 1968 to help rebuild the

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<sup>26</sup> Marshall Green, *The Nixon doctrine: a progress report*, (Washington, U.S. Govt. Print. Off., 1971).

<sup>27</sup> Richard M. Nixon, *RN: The Memoirs of Richard Nixon*, (New York: Grosset & Dulap, 1978), 481.

<sup>28</sup> *Ibid.*

<sup>29</sup> *Ibid.*

<sup>30</sup> *Ibid.*

<sup>31</sup> *Ibid.*

Egyptian military, who openly denied the Saudi monarchy's legitimacy prior to the Six-day war.<sup>32</sup>

The second implication, is that Nixon and Kissinger did not understand the extent of Saudi Arabia's influence in the Arab world or position as an individual Arab state. The implication that prior to the oil embargo, Saudi Arabia was merely described as "the Arabs" while specifying "Sadat" shows that the Saudis were another part of a homogenous ethnic group. Despite Saudi Arabia being an individual nation with its own nationality, culture, and interests, it was perceived as being a region in collective that answered to Egypt, because of a similar language and ethnicity. This could be understandable as a result of the image of Pan-Arabism and Arab nationalism that was preached in many secular Arab states at the time, particularly Nassir. However, this nonetheless dismisses the sovereignty of the individual Arab states and individual interests that result from that sovereignty.

Meanwhile, demand for oil was growing by 10% each year between 1970-1973 in Europe and Japan, making demand for Middle Eastern oil ever greater. By 1973, Saudi Arabia was the largest crude oil producer from any OPEC countries. None of the other Arab countries in OPEC could match the Saudi's production. The only country to come close to the Saudis was Iran, but even then they were producing significantly less oil. The Kingdom was averaging approximately 25% of OPEC's total oil production in 1973 and would rise to 30% in 1974. Compared to Iran at 19% to 20% respectively.<sup>33</sup> Likewise, many oil producing companies began nationalizing their oil fields from the Western oil companies that controlled them.<sup>34</sup> Regardless, the state

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<sup>32</sup> Madawi Al-Rasheed, *A History of Saudi Arabia*, (New York: Cambridge University Press, 2002), 130.

<sup>33</sup> "Daily and Cumulative Crude Oil Production in OPEC Members," OPEC, 1960-2009.

<sup>34</sup> Central Intelligence Agency, *Security of Oil Supply to NATO and Japan, National Intelligence Estimate*, Washington, 14 November 1970, 17.

Department disregarded to King Faisal's growing leverage despite multiple intelligence reports.<sup>35</sup>

## **Part 2: The Embargo (1973-1974)**

By summer of 1973, tensions were rising and the threat of an Egyptian attack on the Sinai Peninsula seemed eminent. Saudi Arabia's frustration towards the increasing American support for Israel was quickly increasing. Regardless, the Arabs' weakened position as a result of the events in 1967 did little in supporting King Faisal's political interests for Palestine.<sup>36</sup> King Faisal and Ambassador James Akins' warned that continued US support for Israel was distancing one of the US closest allies in the region.<sup>37</sup> King Faisal warned through Akins that "US policy in the Middle East, which he characterized as pro-Israel, will ultimately drive all Arabs in the communist camp," which King Faisal saw as a mortal danger to the Arabs.<sup>38</sup> The warnings however, seemed to fall on deaf ears in White House. Oil companies dismissed his warnings that an oil weapon would be used, asserting that "His Majesty is calling wolf where no wolf exists except in his imagination."<sup>39</sup>

Nixon commented on his foreign policy decisions to support Israel as responses to "threats from the Arab countries to use oil as a club to force a change in our Middle East policy."<sup>40</sup> The Nixon administration seemed to believe that although the Saudis unthreatening, they were also irrational in that they thought they could coerce the United States. This

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<sup>35</sup> Central Intelligence Agency, *The Arab Oil Cutback and Higher Prices: Implications and Reactions*, (Washington, 19 October 1973), 3.

<sup>36</sup> Central Intelligence Agency, *Security of Oil Supply to NATO and Japan, National Intelligence Estimate*, Washington, 14 November 1970, 17.

<sup>37</sup> James E. Akins was the US ambassador to Saudi Arabia from September 1973- February 1976

<sup>38</sup> Douglas Little, *American Orientalism: The United States and the Middle East since 1945*, (Chapel Hill: University of North Carolina Press, 2002), 68.

<sup>39</sup> Ibid.

<sup>40</sup> Richard Nixon, "The President's News Conference," *The American Presidency Project*, September 5, 1973.

undermined the effective assessment of the Saudi government in foreign policy with the United States.

At 0615 on Saturday, October 6 1973, Egypt and Syria attacked Israel.<sup>41</sup> Surprisingly the events caught the Nixon administration off guard. Their perceptions of the Arabs were based off Israeli intelligence reports that the Arab militaries were “too weak” to attempt any military operations with Israel.<sup>42</sup> This was despite Sadat’s constant threats since 1971 to Kissinger that he would start a war with Israel.<sup>43</sup> During the American airlift to Israel on October 12<sup>th</sup>, Kissinger was asked by a journalist whether threats of an embargo would affect the decision to support Israel. He replied by saying that “we [the US] have to pursue what we consider to be the right course; we will take the consequences.”<sup>44</sup> The US supported Israel financially and with arms following the Egyptian recapture of the Sinai Peninsula. This indicates that the US still did not believe the Arab threat to be serious. Even with a direct threat of an oil embargo, the US still was not willing to negotiate the political demands of the Arabs states. This only drove the Saudis to a decision as drastic as an embargo in order to achieve their political interests with regard to the United States’ involvement.

As the risk of an oil embargo became more likely in the days following the airlift, the Nixon administration attempted to communicate with King Faisal to explain the reasoning for the airlift.<sup>45</sup> By then, the likelihood of an oil embargo was made clear. On October 14<sup>th</sup>, Kissinger wrote to King Faisal in an attempt to gain his support in supporting the US’ airlift on

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<sup>41</sup> Henry Kissinger, *Years of Upheaval*, (Boston: Little, Brown, 1982), 450.

<sup>42</sup> *Ibid.*

<sup>43</sup> *Ibid.* 453.

<sup>44</sup> *Ibid.* 508.

<sup>45</sup> Department of State, “Editorial Note,” *Relations of the United States, 1969–1976, Volume Xxxvi, Energy Crisis, 1969–1974*, Washington.

the basis that this would prevent the USSR from spreading their influence. King Faisal was not pleased. Kissinger's perception of King Faisal was made clear in that he believed the Saudis would support the US' actions in supporting Israel at the expense of fellow Arab states in the name of anti-communism and reliance on Western oil buyers.<sup>46</sup> Kissinger believed such due to King Faisal's equal opposition towards communist influence in the Middle East.

That same day, Saudi Petroleum Minister Yamani informed the French that the Saudi Position was to impose a 5% per month cutback over the course of a year.<sup>47</sup> They believed that if an embargo were to take place, the US would be able sustain itself long enough until it would be lifted. This was despite Kissinger's awareness of Saudi Arabia as a "monopoly" that did not currently need a Western market to sustain itself.<sup>48</sup> During a Special Actions Group meeting on the 16<sup>th</sup> of October, CIA director William Colby commented that, "He [King Faisal] is inclined to blow off emotionally about things, but he usually calms down."<sup>49</sup> King Faisal however, did not calm down. On October 20<sup>th</sup>, 1973, Saudi Arabia initiated the oil embargo against nations that provided financial support to Israel, specifically the United States and the Netherlands.<sup>50</sup> The estimation was that an embargo would require "some belt tightening" and place pressure on the United States to share its oil with Western Europe and Japan. Additionally, it was estimated that

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<sup>46</sup> Department of State, "Editorial Note," *Relations of the United States, 1969–1976, Volume Xxxvi, Energy Crisis, 1969–1974*, Washington.

<sup>47</sup> Ibid.

<sup>48</sup> Department of State, "Minutes of Washington Special Actions Group Meeting," *Relations of the United States, 1969–1976, Volume Xxxvi, Energy Crisis, 1969–1974*, Washington, 16 October 1973.

<sup>49</sup> Ibid.

<sup>50</sup> Department Of State, "Message from Prince Fahd of Saudi Arabia to the President's Assistant for National Security Affairs (Kissinger)," *Foreign Relations of the United States, 1969–1976, Volume XXXVI, Energy Crisis, 1969–1974*, Jidda, 23 October 1973.

increased oil reserves with oil producing countries could threaten exchange markets and depreciate the Dollar due to decreased sales to Arab states<sup>51</sup>

During the five months of the oil embargo, the Nixon administration's perceptions of Saudi Arabia would experience its greatest change. The oil embargo positioned the Nixon administration to reconsider the importance of Saudi Arabia in its Middle East policy. As soon as the oil embargo began, the US focused its diplomatic efforts on Saudi Arabia more than any other Arab country. This was a shift from their previous belief that Sadat was the primary decision maker amongst the Arabs. This happened especially towards the end of 1973, when the Nixon administration realized that the oil embargo would last for an entire year or longer if it did not attempt to negotiate more with the Saudis.<sup>52</sup>

American policy makers believed that the oil embargo was part of the Arabs' ultimate goal to destroy Israel. Nixon explained that, "he could do no less for Israel in such a critical time," in regards to the airlift and using as many resources as possible to support Israel.<sup>53</sup> However, the Saudi Minister of Foreign Affairs, Omar Saqqaf, argued that the stakes in the fighting were not so great. He explained the Saudi interests in Palestine during a meeting in the Oval Office on October 17<sup>th</sup>. Contrary to what the Nixon administration perceived prior to their meeting, Saqqaf told him that "Israel was not being threatened with Arab annihilation." The Saudis wanted the 1967 borders to be returned and the rights of refugees to be met.<sup>54</sup> While this was a significant step forward made by the Saudis, the Nixon Administration was only partially

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<sup>51</sup> Central Intelligence Agency, *The Arab Oil Cutback and Higher Prices: Implications and Reactions*, (Washington, 19 October 1973), 5.

<sup>52</sup> Department Of State, "Message from Saudi Minister of Petroleum Yamani to Secretary of State Kissinger," *Foreign Relations of the United States, 1969–1976, Volume XXXVI, Energy Crisis, 1969–1974*, Jidda, 11 November, 1973.

<sup>53</sup> Richard M. Nixon, *RN: The Memoirs of Richard Nixon*, (New York: Grosset & Dulap, 1978), 927.

<sup>54</sup> Henry Kissinger, *Years of Upheaval*, (Boston: Little, Brown, 1982), 534.

willing to abide by Resolution 242 in its willingness to negotiate for a ceasefire.<sup>55</sup> During the same meeting, Kissinger's perceptions of the Saudis, or at least of Saqqaf, changed. Kissinger recalled a statement made by Saqqaf in regard to Jewish descendants that, "We are all Semites together."<sup>56</sup> This was highly significant given Kissinger's Jewish origin and the common perception of anti-Semitism amongst Arabs.

What the Nixon administration did not realize however, was that Saqqaf's statements were a bargaining position. The reality was that the Kingdom's official demands with regard to the 1967 border and refugees was the most optimistic and ideal scenario, which they knew was unlikely. The Saudis knew that the United States had come too far with the airlift and oil embargo to demand Israel meet the Saudis demands, especially since the Saudis, as well as every other Arab State, knew that the US' priority was with Israel. King Faisal's administration primarily hoped to grab America's attention. King Faisal knew that his best option to bolster Saudi strength was by picking a fight with the biggest opponent possible without harming his country. By showing the Kingdom's strength and willingness to keep relations with the US, the Nixon administration realized that bringing Saudi Arabia closer as an ally would be more suitable for the US' interest. Thus, the Saudis succeeded in setting the conditions to become the US' go-to ally in Arab affairs. Had King Faisal decided to not open negotiations with the US, there would have been two options. Either to go to the Soviets for support, which was unlikely. Or completely sever ties United States in favor of the Arab nationalists, which was also unrealistic economically and politically.

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<sup>55</sup> Resolution 242 was the UN Security Council resolution passed to ensure stability and peace following the Six-Day war

<sup>56</sup> Henry Kissinger, *Years of Upheaval*, (Boston: Little, Brown, 1982), 535.

The perceptions of Saudi Arabia would continue to be reshaped by increasing interactions between the Nixon administration and Saudi officials. All parties involved in the Arab-Israeli conflict, were increasingly reliant upon Washington to solve the conflict. This dispelled the US government's fears of the Arabs being pushed towards the USSR to solve their matters, which was proof that the Saudis were willing to negotiate with the US more openly. On October 23, Prince Fahad sent a message to Kissinger.<sup>57</sup> In the message, he said that Saudi Arabia wished to "create conditions in which Arab confidence in the United States is restored sufficiently to enable a prompt return of its oil production and removal of the embargo on oil for the United States." He emphasized the Saudi position to return Palestine to the borders before the 1967 war. He warned the US to take caution with actions in Jerusalem if the US was to maintain its diplomatic ties with Saudi Arabia. He emphasized that the King took the matter of Jerusalem seriously, but also understood how Israeli interests would conflict with Arab interests.<sup>58</sup> Additionally, Prince Fahad stressed the importance of abiding by Resolution 242 in making a peace settlement and lifting the embargo. This made US policy maker's realize the impact of the US on the Arab world through their growing reliance on the US as a peace settler. In this case, the US' position as a permanent member on the UN Security Council and its ability to provide better support than the communist camp made them a reliable for the Arabs. This would create particular implications for how the US would perceive itself with regard to the Saudis and other oil producing countries in the foreseeable future.

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<sup>57</sup> Prince Fahad Bin Abdul-Aziz was the full brother of the king and second deputy prime minister. He would become the 5<sup>th</sup> king of Saudi Arabia from 1982-2005.

<sup>58</sup> Department Of State, "Message from Prince Fahd of Saudi Arabia to the President's Assistant for National Security Affairs (Kissinger)," *Foreign Relations of the United States, 1969-1976, Volume XXXVI, Energy Crisis, 1969-1974*, Jidda, 23 October 1973.

The Nixon administration underestimated the consequences of an oil embargo on the US market. The pre-embargo assessments indicated that Europe and Japan would face the greatest impact from the oil embargo, but not the US. The US also remained unconvinced that the Saudis would in fact commit to a complete embargo. This was indicated through the different courses of action that were presented in the Nixon administration just days after the oil embargo. The options included reorganizing the oil market, using diplomacy and other leverages on the producing countries, imposing government controls on oil companies, and finding alternative fuel sources.<sup>59</sup> The situation was a motivating factor for Nixon to open dialogue with the Saudis and negotiate their interest through diplomacy.

A significant shift in perceptions of the Saudis as a result of the embargo took part during Kissinger's visit to Riyadh on November 9, 1973. This was his third leg where he first met with Sadat in Egypt, then with King Hussein in Jordan for a short visit. It was clear through his memoir that Riyadh was his most important stop, particularly since it was the only oil producing country he visit during that trip. The purpose for Kissinger's visit was to negotiate lifting the embargo with King Faisal. He understood that King Faisal would not visit Washington anywhere near the end of the war, and was unlikely to lift the embargo after only two weeks. He believed that would compromise the Saudi strategy with the oil embargo, to "build credit with radical Arab regimes."<sup>60</sup> He was referring to Egypt and Syria, particularly. During his visit, he mentioned to the Saudis his belief that Sadat was leader of the Arabs, to his surprise King Faisal was not pleased.<sup>61</sup>

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<sup>59</sup> Department of State, "Memorandum From the Under Secretary of State for Economic Affairs (Casey) to Secretary of State Kissinger," *Relations of the United States, 1969–1976, Volume XXXVI, Energy Crisis, 1969–1974*, Washington, 3 November 1973.

<sup>60</sup> Henry Kissinger, *Years of Upheaval*, (Boston: Little, Brown, 1982), 657.

<sup>61</sup> *Ibid.* 661.

Nixon, according to Kissinger, had a different perception of the Saudis. He hoped that a significant change would happen through Kissinger's visit in Riyadh. After Kissinger's visit, he stated that "the spectacular is against the very tradition of the country and the psychology of its leaders."<sup>62</sup> His perceptions seem to describe the Kingdom as a mystery. On one hand, he makes fair assessments of Saudi Arabia geopolitical difficulties and domestic challenges it faces. On the other, he makes stereotypical claims of how he perceived Saudi society. He describes Saudi Arabia's history and psychology as "differing from that of almost every other Arab state." The orientalist tone of his description of Arabs was that they are "wary of the infidel and suspicious of the foreigner."<sup>63</sup> Interestingly, he rationalizes his perception of the Saudi mindset through his understanding of the challenges the royal family faced at the time. His perception of the Saudis was that their isolationist foreign policy and reluctance to enter military conflicts is a result of their own awareness of their limitations and geopolitical vulnerabilities.

While the common perceptions of Saudi society was still rooted in orientalist biases and was still generalized with other Arab states, the Nixon administration changed its policy with Saudi Arabia as a result of Kissinger's dialogue with King Faisal and his administration. The general observations by both Kissinger and Nixon was of the Saudis leaders' personalities and approaches to different matters and inclusion of the US as an ally. Kissinger, spoke highly of King Faisal, Prince Fahad, and Omar Saqqaf. They were the primary Saudi policy makers he interacted with during the oil embargo and clearly had an impact on Kissinger's perceptions of the Saudis. Both Nixon and Kissinger agreed that King Faisal was a "man of rare quality, highly intelligent, formidable, and yet wise enough to never display his strength."<sup>64</sup> This is contrary to

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<sup>62</sup> Kissinger. 658.

<sup>63</sup> Ibid.

<sup>64</sup> Ibid, 661.

the perceptions of previously mentioned US government officials who saw him as emotional and impulsive despite no direct interaction with him. Kissinger respected King Faisal so much so that he would “frequently stop in Riyadh to inform him personally” of any changes, which is a significant shift from the lack of attention prior to the oil embargo.<sup>65</sup> As a result of his visit, Kissinger observed that the Saudis were more open to negotiations than what he had expected. This adjusted the Nixon administration’s policies concerning the Saudis as a result of the King Faisal’s willingness to negotiate with the US.

The new perceptions of Saudi Arabia brought US policy makers into more direct negotiations with Saudi policy makers in the months following the beginning of the embargo. This did not mean that agreements to end the oil embargo happened immediately after the Kissinger visit. The Saudi perception that the US was the decisive factor in achieving its political interest made the impact of the oil embargo more focused on the US. Likewise, the US perception that the Saudis relied on the US for security made it equally difficult to compromise with the Saudis. Throughout the extensive negotiations between the two countries, it became clear that the US position was changing slightly to support Saudi interests for long term peace.

The Nixon administration became gradually more frustrated with the slow progress on ending the oil embargo by the end of December 1973.<sup>66</sup> The Saudis did not change their stance and it became clear that the oil embargo would persist until the upcoming year. Although the Saudis were willing to end the embargo, they created multiple obstacles that required the approval of all of its Arab counterparts, particularly Syria’s interests, which prolonged the

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<sup>65</sup> Kissinger, 663

<sup>66</sup> Ibid, 891.

embargo.<sup>67</sup> This frustrated Nixon administration and implied that the use of force to end the embargo was an option put forth to the Saudi policy makers. Nixon himself was willing to “lash out at the Arabs” had it not been for the diplomatic progress made during the Six-day war.<sup>68</sup> The Saudis showed that they did not need to rely on the US for economic support in order to pursue its political interest despite their strong diplomatic ties with the US. This attributed the Saudis may be manipulating the US or that Nixon was losing faith in the Saudis ability to deliver an end to the oil embargo. Both of which bolstered Saudi sovereignty and leadership in the region as a response to the US continuing the same policy with Israel.<sup>69</sup> Negotiations with the Saudi government increased by the beginning of 1974. King Faisal explained that any action to end the embargo had to be with the consent of his fellow Arab states. During this time, the Nixon administration communicated directly with the Saudi government on progress with the other Arabs countries in ending the embargo.<sup>70</sup> This was a move by the Saudis to prolong the embargo and further bolster their importance in the eyes of the United States. They framed themselves as the mediators between the US and Syria in order to have the US rely on Saudi Arabia for Middle East diplomacy. The reality was that gaining approval from Egypt or Syria would do little to change the current situation. Rather, they seemed to be friendlier to towards the US when compared to Syria and Egypt.

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<sup>67</sup> Department Of State, “Letter from President Nixon to King Faisal of Saudi Arabia” *Foreign Relations of the United States, 1969–1976, Volume XXXVI, Energy Crisis, 1969–1974*, Washington, 3 December 1973.

<sup>68</sup> Richard M. Nixon, *RN: The Memoirs of Richard Nixon*, (New York: Grosset & Dulap, 1978), 977.

<sup>69</sup> Saunders, Harold H, “Saudi Position on Lifting the Oil Embargo,” *National Security Council*, Washington, February 6, 1974.

<sup>70</sup> Department Of State, “Letter from President Nixon to King Faisal of Saudi Arabia” *Foreign Relations of the United States, 1969–1976, Volume XXXVI, Energy Crisis, 1969–1974*, Washington, 24 January, 1974.

This would change by mid-February when Saudi Arabia and Egypt confirmed their willingness to lift an oil embargo, under conditions benefiting the Syrians.<sup>71</sup> Kissinger perceived this as a triumph and show an example of the US' ability to not succumb to pressure.<sup>72</sup> The fact remains that the oil embargo created lasting effects on the American perception of Saudi Arabia. Now, Saudi Arabia had the United States full attention as a reliable player in Middle East politics, which they would use to help expand the Kingdom's capabilities.

### **Part 3: Post Embargo (1974-present)**

The oil embargo ended on March 18<sup>th</sup>, 1974. It was seen as a triumph by American foreign policy makers. They managed to end the greatest energy crisis in US history since the Second World War and were able to negotiate a peace process without compromising Israel. At first glance this was a perceived defeat for the Arabs, but the oil embargo was far more impactful on the perceptions of Saudi Arabia. This was seen through the actions taken by the US and other nations at the end of the oil embargo.

The oil embargo caused a crash in the oil market that lasted several months. The result of its lifting was much needed recovery by countries with high demand for Saudi oil. The sudden crash and inability to maintain the same standard of living as a result of low oil supplies had a significant impact on the perceptions of western countries about the Arabs. The psychological recovery from the oil embargo lasted until the beginning of the 1980s when oil prices were on

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<sup>71</sup> Department Of State, "Telegram from the Embassy in Saudi Arabia to the Department Of State," *Relations of the United States, 1969–1976, Volume Xxxvi, Energy Crisis, 1969–1974*, Jidda, 11 February 1974.

<sup>72</sup> Kissinger, *Years of Upheaval*, 894.

steady decline.<sup>73</sup> The perceptions of the Arabs was that they were the aggressors. This added to the already negative perceptions of Arabs being losers to now being aggressive losers.<sup>74</sup>

Additionally, the fact that Israel did not return to 1967 and yet the embargo was lifted, sent a message of the perceptions of the Arabs. The Arabs were perceived as in need of an American market and support, especially through the Arab states blatant interest in allying with the US. Also, the Saudis never achieved their stated political goals for the embargo, which was to uphold Resolution 242. It did not seem to matter that Saudi Arabia now had the ear of the United States in Middle East politics. As such, the embargo was perceived as an impulsive and unnecessary action by the Saudis. Unlike the previous engagement during the Six Day War, the Arabs now had the leverage of the 'oil weapon.' The Nixon administration's fear of the oil embargo was their primary reason to open more negotiations and give the Saudis greater attention as allies and economic partners as their strategy to mitigate the potential of another potential oil embargo.<sup>75</sup> However, this was at the economic and political advantage of the Saudis, the general perceptions of them did not improve.

Although the US was the only nation directly negotiating with the Saudis to end the embargo, many Western states changed in the perception of the Saudis. Interestingly, the US' allies in Europe and Japan believed that the better option would be to answer Arab political demands rather unite against them.<sup>76</sup> This indicated a significant shift in the perceptions of the Arabs from being losers in the 1967 war to now being on the political offensive in 1974. On the other hand, the Nixon administration claimed that it was able to successfully weather the storm

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<sup>73</sup> Kissinger, 875.

<sup>74</sup> Albert Hourani, *A History of The Arab Peoples*, (New York: Warner Books, 1991), 356.

<sup>75</sup> Jack Anderson, "Guarding Against the Oil 'Weapon'," *The Washington Post*, May 1, 1979.

<sup>76</sup> *Ibid.* 898.

of the embargo and achieve its goals through diplomacy. In reality, the embargo caused the US to perceive the Saudis more warily and as a less predictable player in Middle East politics. The new image of the oil producing countries was that of aggressors, that used the 'oil weapon' to attack the West.<sup>77</sup> Kissinger described the threat of an oil embargo to be a source of obsession and psychological fears of the possibility that it would shut down further.<sup>78</sup>

Although as part of the Nixon doctrine, the US continued its diplomatic relation with Saudi Arabia.<sup>79</sup> The Nixon administration sought out multiple solutions to mend their perception of the new danger the Saudis posed with the 'oil weapon.' The ground work for this was Kissinger's initial goals to institutionalize the Saudi-American relationship. His wariness of King Faisal's willingness to exercise his soft power led him to take new "positive" initiatives with the kingdom. This took the form of economic and technical assistance by the US for the Saudis. The US Department of Defense also made plans for Saudi-American military cooperation. US government's intent for these new initiatives, according to Kissinger was to "reduce Saudi readiness to take new measures hurtful to our economy."<sup>80</sup> The original goal was to use these initiatives in order to convince King Faisal of the benefits of lifting the embargo by giving the kingdom a "tangible stake in the well-being of the United States." For King Faisal, who all along was seeking greater relations with the United States through the oil embargo, this was perfect.

As Nixon visited the Middle East in the summer of 1974, he perceived that nearly all the Arab head of states "wanted to be friends with the United States." The new perception was that the US would be welcomed by Arab states to be involved in aiding them during conflicts, which

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<sup>77</sup> Jack Anderson, "Guarding Against the Oil 'Weapon'," *The Washington Post*, May 1, 1979.

<sup>78</sup> Kissinger, 874.

<sup>79</sup> Marshall Green, *The Nixon doctrine: a progress report*, (Washington, U.S. Govt. Print. Off., 1971).

<sup>80</sup> Kissinger, 974.

increased the US footing in the Middle East.<sup>81</sup> This provided a rationale to begin the ‘special-relationship’ with Saudi Arabia. In turn, this brought other Arab countries to form closer diplomatic ties with the United States.

The significant aspect of this “special relationship” were the incentives that made the possibility of another oil embargo at the hands of the Saudi’s a source of conflict with their interest. Economically, by 1986, the Saudi Riyal was pegged to the US dollar, which greatly boosted the country’s economy and investment capability. In 1988, the Saudis completely bought out ARAMCO and nationalized all oil revenues, which granted greater profits and control over their own oil. The Saudis achieved an opportunity to boost their economy through cooperation with the US, and in return the US could guarantee political stability with the largest exporter of oil in the world.<sup>82</sup>

Militarily, the US supported Saudi Arabia through military training and armament. This would become more vital by the 1980s with the rise of terrorism and other extremist movements that threatened the stability of the region. The US would rely more on Saudi Arabia as a source of stability following the loss of Iran as an ally in 1979 and the Soviet invasion of Afghanistan that same year. This would benefit the Saudi’s security interests in the region with the US’ interest in maintaining the Kingdom’s stability. This would provide a guarantee that an influential country in the region would continue to align with US interests and receive security to compensate for its developing military.<sup>83</sup>

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<sup>81</sup> Richard M. Nixon, *RN: The Memoirs of Richard Nixon*, (New York: Grosset & Dulap, 1978), 1018.

<sup>82</sup> Douglas Little, *American Orientalism: The United States and the Middle East since 1945*, (Chapel Hill: University of North Carolina Press, 2002), 74.

<sup>83</sup> Kissinger, 1129.

Regardless of the rationale for the changes in perceptions that came about because of the oil embargo, the most significant change that resulted for the Saudis were their relations with the United States. The increased visits and communication between the two countries indicated the foundations for the modern Saudi-American relationship that would help build the Saudi state through diplomatic ties with the US.

### **Conclusion**

The events of the oil embargo may have been forgotten, but the effects and perceptions that came about from it remain. Although Nixon states that “Saudi Arabia has the longest record of unbroken friendship with the United States” out of any Arab country, many historians view the embargo as a stain on Saudi history.<sup>84</sup> Historians claim that this events made the Saudis seem more menacing in western eyes.<sup>85</sup> The argument is that it proved the disunity and weakness between the Arab oil states through their reliance of the US.<sup>86</sup>

What they failed to see are the benefits that Saudis received as a result of the embargo. The general perceptions may have become more negative towards Saudi Arabia, but the perceptions of the policy makers that deal with Saudi Arabia changed. Prior to the embargo, the focus of US policy on the middle was on Egypt and Syria. The Saudis were perceived as a stable country that would guarantee US’ increasing demand for oil. The oil embargo reassessed the American perceptions of Saudi Arabia. Through King Faisal’s rule, they perceived it as a state willing to press its political demands when necessary. Although it may have been seen as a sign of weakness for the Saudis to compromise with the US, they understood that creating better

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<sup>84</sup> Richard Nixon, “Remarks of the President and King Faisal Ibn Abdul Aziz of Saudi Arabia at a State Dinner in Jidda,” *The American Presidency Project*, (June 14, 1974).

<sup>85</sup> Edward Said, *Orientalism*, (New York: Vintage Books, 1979), 73.

<sup>86</sup> Albert Hourani, *A History of The Arab Peoples*, (New York: Warner Books, 1991), 356.

relations involved compromise. The Saudi government understood that antagonizing the more reliable of two superpowers at the time was beyond irrational. The embargo changed the US perception from seeing Saudi Arabia as a subordinate country to Egypt to a regional power. The Kingdom's rapidly growing economy following the embargo cemented its role as a leader in the Middle East without the use of conventional force.

In other words, the oil embargo perpetuated the negative perceptions of the Arabs in American eyes, but simultaneously bolstered the kingdom's political strength and influence in the region through its ability to utilize their soft power. All the while, the Saudis did so by taking up a passive role in the 1973 war to demonstrate their influence. Although this frustrated US policy makers at the time, it also showed the Saudi's commitment to a relationship with the Americans, which would become the foundation for the 'special relationship' between the two countries.<sup>87</sup>

The traditional Saudi-American relationship as it is currently perceived had several implications at the time of its formation at the end of the embargo. It implied a loss in trust with the Saudis and as a result created the precautions through trade deals and military cooperation to ensure that another embargo would not be within the Saudis' interests. For Saudi policy makers, this was a success as it created more open dialogue and communication with the United States. This was in the benefit of the Saudis who became a regional economic power as a result of increased oil production and trade with the United States. This arguably made Saudi Arabia an economic hegemon in the Arab world. This however also brought had implications for the

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<sup>87</sup> Richard Nixon, "Remarks of the President and King Faisal Ibn Abdul Aziz of Saudi Arabia at a State Dinner in Jidda," *The American Presidency Project*, (June 14, 1974).

changes in the US relation to Israel. Likewise, the events of 1973 made the US' continued support for Israel seem all the more justified.

The impacts of greater US support for Israel and the strengthening alliance with the Saudis created several implications for opposition of the Saudi monarchy. The rise of religious extremist and the fall of Arab nationalism was only fuel for what they perceived as hypocrisy by the Saudis for cooperating with the United States. These anti-Saudi conspiracies that came about as a result of the Saudi-American relationship gave Al-Qaeda and other extremist groups rationale to oppose the Saudi monarchy and attempt to violently impose their political agendas for what they see as hypocrisy by the government. This includes Iran, who since the fall of the Shah in 1979 condemns and delegitimizes the Saudi government for its relations with the US. Despite such, America's oldest ally in the Middle East continues to appreciate the importance of its alliance with the United States.

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