Saudi Arabia enters the 1980s with unprecedented wealth and international prestige. This does not, however, produce a sense of real power or security on the part of Saudi rulers. The reasons are several:

- In terms of population and military might, Saudi Arabia remains a small power by Middle East standards.
- Regional instability threatens Saudi Arabia directly and indirectly.
- The US-Saudi relationship, long relied upon by Saudi leaders to enhance the Kingdom's security, is being called into question.
- The Soviet Union is developing positions of strength around Saudi Arabia -- Afghanistan, South Yemen, Ethiopia, as well as Libya and Syria.

Even with defense expenditures of some $20 billion per year (1980-81), the Saudis will not be in a position in the foreseeable future to defend the Kingdom against any serious threat, nor will the Saudis be able to project their military power beyond their borders. Instead, the Saudis will use money, oil policy, and alliances with other regional powers to enhance their influence. With the means at
their disposal, they will generally work on behalf of regional stability, trying to limit Soviet influence, and bolstering moderate leadership. This is consistent with the Saudi view that their interests are best served by regional stability.

-- The Soviet Threat. The Saudis have long warned of the danger of growing Soviet influence in the Middle East. In their view, the Soviets try to exploit regional tensions, such as the Arab-Israeli conflict, in order to become arms suppliers to key countries. The way in which the Soviets created a position in Nasser's Egypt still affects Saudi thinking. Where Saudi financial incentives can blunt Soviet advances, the Saudis are not reluctant to act. They have no illusions, however, of being able to deal with overt military threats from Moscow and assume that the US will have to handle them if they ever materialize.

-- The Arab-Israeli Conflict. Saudi concern with the destabilizing consequences of the Arab-Israeli conflict is more than just rhetoric. They view Israel as a force for instability — pointing to recent actions such as the bombings of Baghdad and Beirut — and are convinced that a resolution of the Palestinian question would be a big step toward reducing Soviet opportunities and easing inter-Arab strains. As long as the Arab-Israeli dispute remains at its present level of tension, the Saudis feel defensive about their ties to Washington and vulnerable to Arab pressures to use oil as a political weapon, as in October 1973.

-- Inter-Arab Politics. Saudi Arabia has rarely been able to exercise leadership in the Arab world, largely because other countries such as Egypt, Syria or Iraq were more influential. In present
circumstances, however, Egypt is isolated, Syria is bogged down in Lebanon, and Iraq is at war with Iran. This makes it easier for the Saudis to play a leading part in inter-Arab affairs. To that end, the Saudis maintain a network of relations with virtually all states and factions in the Arab world. They can talk to Syria and Iraq; Morocco and Algeria; the PLO and Jordan; various groups within Lebanon; and, with some difficulty, the two Yemens. The basic Saudi concern is to develop a moderate Arab consensus susceptible to Saudi influence. Polarization of the Arab world is precisely what the Saudis hope to avoid.

-- Other Arenas. The Saudis are also deeply involved with other issues — OPEC price strategy; Gulf Cooperation Council; aid to Pakistan; the Horn of Africa; cooperation with Islamic countries — but the sources of greatest concern to Riyadh remain the Soviets, Israel, and other Arab countries. In each case, the relationship with the United States is of great importance.

Ambivalence characterizes US-Saudi relations today. We are both aware of deep common interests, but we are also in disagreement on key issues. In both societies, relations with the other arouse intense controversy. It is no better to be labeled pro-American in Riyadh than it is to be seen as pro-Saudi in Washington. Three issues will influence Saudi perceptions of the value of the US connection:

-- Our global stance toward the Soviet Union and our demonstrated ability to check the spread of Soviet influence.
--- Our ability to move the Arab-Israeli conflict toward resolution. Saudis generally see Camp David as a dead end and are looking for evidence that Washington is considering alternatives.

--- Our cooperation on security issues, especially the F-15 enhancement package and AWACS. The defeat of AWACS will be a serious setback for those most favorable to close US-Saudi ties.