By George Friedman

The Saudis are hosting an interfaith conference June 4. Four hundred Islamic scholars from around the world will be there, with one day devoted to interfaith issues. Saudi King Abdullah will open the conference, over which Saudi Shura Council head Saleh bin Huma will preside. This is clearly intended to be a major event, not minimized by the fact that Ali Akbar Hashemi Rafsanjani, Iran's most influential leader -- who heads Iran's Assembly of Experts, the body that elects and can remove the Supreme Leader -- will be attending as well. Rafsanjani was specifically invited by the Saudi ambassador to Iran last Wednesday with the following message: "King Abdullah believes you have a great stature in the Islamic world ... and he has assigned me the duty of inviting you to the conference." We would not have expected to see a meeting on interfaith dialogue even a year ago.

For its part, al Qaeda condemned the conference. Its spokesman, Abu Yahya al-Libi, said of Abdullah via videotape that "He who is called the defender of monotheism by sycophantic clerics is raising the flag of brotherhood between religions ... and thinks he has found the wisdom to stop wars and prevent the causes of enmity between religions and peoples." He went on to say "By God, if you don't resist heroically against this wanton tyrant ... the day will come when church bells will ring in the heart of the Arabian Peninsula." In the past, the Saudis have been very careful not to push al Qaeda, or the kingdom's own conservatives, too far.

One reason for the change might be the increasing focus by conservative Saudi clerics on the Shia, particularly Iran and Hezbollah. Twenty-two leading conservative clerics issued a statement condemning the Shia as destabilizing the Arab world and hostile to Sunnis. More important, they claimed that Iran and Hezbollah are only pretending to be hostile to the United States and Jews. In a translation by The Associated Press, the clerics said that "If they (Shiites) have a country, they humiliate and exert control in their rule over Sunnis. They sow strife, corruption and destruction among Muslims and destabilize security in Muslim countries ... such as Yemen." This view paralleled statements by al Qaeda No. 2 Ayman al-Zawahiri a few weeks back.

No Fear of the Conservatives

To begin understanding all this, we need to start with the obvious fact that the Saudi government is no longer afraid of antagonizing conservatives. It should be remembered that there was extensive al Qaeda activity in Saudi Arabia in 2003 and 2004 after the Saudis increased their cooperation with the United States. The Saudis eliminated this activity, and the royal family has done extensive work in decreasing its internal rifts as well as reaching out to tribal leaders. Nevertheless, the Saudi government has been careful not to push too far. Holding a meeting to study interfaith dialogue would appear to be crossing the line. But clearly the Saudis don't think so.

There are three reasons for this. First, al Qaeda has been crippled inside Saudi Arabia and in the broader region. The U.S. boast that al Qaeda in Iraq is on the run is no exaggeration. Al Qaeda in Saudi Arabia and Iraq are on the run because of a split among Sunni conservatives. Conservative Sunnis have their roots in local communities. Al Qaeda is an international grouping that moves into communities from the outside. As such, they threaten the interests of local Sunni leaders who are more unlikely to share theological values with al Qaeda in the long-term, and don't want to be displaced as communal leaders nor want to see their communities destroyed in al Qaeda's adventures. Theology aside, al Qaeda pushed its position too far, and those Sunnis who might theoretically support them have come to see them as a threat.

Second, and far more important, there is Saudi money. At current oil prices, the Saudis are absolutely loaded with cash. In the Arabian Peninsula as elsewhere, money buys friends. In Arabia, the rulers have traditionally bound tribes and sects to them through money. At present, the Saudis can overwhelm theological doubts with very large grants and gifts. The Saudi government did not enjoy 2004 and does not want a repeat. It is therefore carefully strengthening its ties inside Saudi Arabia and throughout the Sunni world using money as a bonding agent. That means that conservative Sunnis who normally would oppose this kind of a conference are less apt to openly criticize it.

Third, there is the deepening Sunni-Shiite split. In Christian history, wars between co-religionists like Roman Catholics and Protestants were brutal, and the distrust still echoes today. The Sunni-Shiite split, like the Catholic-Protestant split, ranges across theological and national interests. Iran is the major Shiite nation. It is mistrusted and feared by the Sunni Saudis, whose enormous wealth and military weakness leaves them vulnerable to the Iranians and forces them into an alliance with the Americans.

At this particular point, where Tehran's mismanagement of Iran's economy and particularly its oil industry has caused it to be left out of the greatest benefits of the surge in oil prices, the Saudis are worried that internal Iranian tensions and ambitions will cause Tehran at least to increase its subversive activities among Shia in the Arabian Peninsula and in Lebanon. Hence conservative Saudi clerics have focused their attacks on Iran and Hezbollah -- officially without government sanction, but clearly not shut down by the government.

Protecting the Oil Bonanza

Behind all of this, something much deeper and more important is going on. With crude prices in the range of \$130 a barrel, the Saudis are now making more money on oil than they could have imagined five years ago when the price was below \$40 a barrel. The Saudis don't know how long these prices will last. Endless debates are raging over whether high oil prices are the result of speculation, the policy of the U.S. Federal Reserve, conspiracy by the oil companies and so on. The single fact the Saudis can be certain of is that the price of oil is high, they don't know how long it will remain high, and they don't want anything interfering with their amassing vast financial reserves that might have to sustain them in lean times should they come.

In short, the Saudis are trying to reduce the threat of war in the region. War is at this moment

the single greatest threat to their interests. In particular, they are afraid of any war that would close the Strait of Hormuz, through which a large portion of the oil they sell flows. The only real threat to the strait is a war between the United States and Iran in which the Iranians countered an American attack or blockade by mining the strait. It is assumed that the United States could readily deal with any Iranian countermove, but the Saudis have watched the Americans in Iraq and they are not impressed. From the Saudi point of view, not having a war is the far better option.

At the same time, if the Iranians decide to press the issue, the Saudis would be in no position to defend themselves. It is assumed that the United States would protect the Saudi oil fields out of self-interest. But any American government -- and here they are looking past the Bush administration -- might find it politically difficult to come to the aid of a country perceived as radically Islamist. Should another contingency come to pass, and the Iranians -- either through insurgency or attack -- do the unexpected, it is in the Saudi interest to create an image that is more compatible with U.S. tastes. And of course nothing does that better than interfaith dialogue. At this point, the Saudis are only at the point of discussing interfaith dialogue, but this still sets the stage.

It also creates a forum in which to drive home to the Iranians, via Rafsanjani, the unease the Saudis feel about Iranian intentions, using Hezbollah as an example. In permitting public attacks on the Shia, the Saudis do two things. First, they placate a domestic conservative constituency by retargeting them against Shiites. Second, they are boosting the theological framework to allow them to support groups who oppose the Shia. In particular that means supporting groups in Lebanon who oppose Hezbollah and Sunni groups in Iraq seeking more power in the Shiite dominated government. In doing this, Riyadh signals the Iranians that the Saudis are in a position to challenge their fundamental interests in the region -- while Iran is not going to be starting Shiite uprisings in Arabia while the price of oil is high and the Shia can be made content.

Pacifying the Region

The Saudis are engaged in a massive maneuver to try to pacify the region, if not forever, then for at least as long as oil prices are high. The Saudis are quietly encouraging the Syrian-Israeli peace talks along with the Turks, and one of the reasons for Syrian participation is undoubtedly assurances of Saudi investments in Syria and Lebanon from which Damascus can benefit. The Saudis also are encouraging Israeli-Palestinian talks, and there is, we suspect, Saudi pressure on Hamas to be more cooperative in those talks. The Saudis have no interest in an Israeli-Syrian or Israeli-Hezbollah conflict right now that might destabilize the region.

Finally, the Saudis have had enough of the war in Iraq. They do not want increased Iranian power in Iraq. They do not want to see the Sunnis marginalized. They do not want to see al Qaeda dominating the Iraqi Sunnis. They have influence with the Iraqi Sunnis, and money buys even more. Ever since 2003, with the exception of the Kurdish region, the development of Iraqi oil has been stalled. Iraqis of all factions are aware of how much money they've lost because of their civil war. This is a lever that the Saudis can use in encouraging some sort of peace in Iraq.

It is not that Saudi Arabia has become pacifist by any means. Nor are they expecting (or, frankly, interested in) lasting peace. They are interested in assuring sufficient stability over the coming months and years so they can concentrate on making money from oil. To do this they need to carry out a complex maneuver. They need to refocus their own religious conservatives against the Shia. They need to hem in Iran, the main Shiite power. They need to reposition themselves politically in the United States, the country that ultimately guarantees Saudi national security. And they need to at least lower the temperature in Middle Eastern conflicts or, better still, forge peace treaties.

The Saudis don't care if these treaties are permanent, but neither would they object if they were. Like any state, Saudi Arabia has interests to pursue; these interests change over time, but right now is the time for stability. Later is later. It is therefore no surprise that Egyptian President Hosni Mubarak visited Riyadh for talks this weekend. The discussions weren't theological in nature. Mubarak shares with the Saudis an interest in an Israeli-Palestinian peace. Mubarak fears the spread of Hamas' ideas back into Egypt and he wants the radical Palestinian group kept in its Gaza box. A large cache of weapons uncovered in the Sinai last week, including surface to air missiles, is as much a threat to Egypt as to Israel. Mubarak has been in no position to conclude such an agreement, even though he has tried to broker it. The Saudis have the financial muscle to make it happen. Clearly the Egyptians and Saudis have much to discuss.

We are not at the dawn of a new age in the Middle East. We are in a period where one country has become politically powerful because of mushrooming wealth, and wants to use that power to make more wealth. A lasting peace is not likely in the Middle East. But increased stability is possible, and while interfaith dialogue does not strike us as a vehicle to this end, hundreds of millions in oil revenue does. Peace has been made on weaker foundations.

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