

The Washington Post

Khashoggi outcry galvanizes critics against Saudi arms sales

Christian Davenport and Aaron Gregg

October 19th, 2018

International outrage over the killing of Jamal Khashoggi, a journalist and Washington Post contributor, has galvanized lawmakers and critics who are seeking to curb arms sales to Saudi Arabia.

The kingdom is the largest importer of U.S.-made weapons and for years has come under fire from human rights group for jailing dissidents and journalists and killing civilians in a military campaign in Yemen.

Sen. Rand Paul (R-Ky.), who has repeatedly urged his colleagues to end sales to Saudi Arabia, said he will fight the next Saudi arms deal that comes before Congress. Last year, Paul and his allies were four votes short of blocking arms sales to the kingdom. But now there “will be enough of a popular outcry that we could win,” he predicted in an interview. “We need to really have a full debate about supporting the war in Yemen.”

Such efforts could jeopardize the sale of billions of dollars of weaponry made by U.S. defense contractors and would collide with President Trump’s desire to continue to export planes, missiles and tanks to the kingdom, which he said is vital for the nation’s economy and national security.

Since Khashoggi disappeared while visiting a Saudi consulate in Turkey earlier this month, Trump has said repeatedly that he did not want to jeopardize weapons deals with the kingdom or hurt jobs at contractors such as Boeing, Lockheed Martin and Raytheon.

Trump claimed such deals are worth \$110 billion, but many defense experts say the president overstated the scope of these deals. Last year, Saudi Arabia purchased \$5.5 billion worth of U.S. weapons, according to Pentagon figures.

Saudi Arabia acknowledges Khashoggi was killed inside consulate

Saudi Arabia acknowledged Oct. 20 that Washington Post contributor Jamal Khashoggi was killed in its consulate in Istanbul, saying he died during a fist fight. (The Washington Post)

The tension over arms sales comes amid concerns over the war in Yemen being led by a coalition led by Saudi Arabia. A U.N. report said the coalition has killed thousands of civilians, and in one particularly gruesome incident, a bomb killed 40 children on a school bus. CNN reported that the bomb was manufactured by Lockheed Martin, which has stoked concerns in Congress.

In an op-ed published in The Washington Post, Sen. Chris Murphy (D-Conn.) called for “ending our military assistance, which has given the Saudis free rein in the ongoing horror in Yemen. . . . Time after time, horrific reports detail U.S.-made bombs dropping on civilian buses, weddings, funerals and medical facilities. The war has killed thousands of civilians and led to a massive humanitarian crisis — and it has a ‘Made in America’ label on it.”

Mohammed bin Salman — the once-vaunted Saudi crown prince whose government released a statement Friday night reversing its original account and admitting that Khashoggi was killed at the consulate — has become a favored business partner of U.S. defense contractors seeking to expand their international sales. Nearly every major American weapons manufacturer has done business with the kingdom, in coordination with the U.S. government under foreign military sales programs.

“It’s hard for a president to turn down what looks like easy money,” said A. Trevor Thrall, an associate professor of international security at George Mason University and a senior fellow at the Cato Institute. “Everyone loves the Saudis in the defense industry. They are an excellent customer.”

Executives from the top defense contractors, including Lockheed Martin, Raytheon, General Dynamics, Northrop Grumman and BAE Systems, often tout their close relationship with the kingdom as they seek to broaden their reach deeper into international markets.

In the wake of Khashoggi’s disappearance, many top American executives as well as Treasury Secretary Steven Mnuchin have said they will not attend an upcoming Saudi investors conference. (Mnuchin said Friday, however, that he will attend a separate anti-terror finance meeting in Riyadh.) But defense executives have been quiet, fearing, analysts said, insulting the oil-rich kingdom, which has the third-biggest defense budget in the world behind the United States and China. Spokesmen at virtually every major defense contractor declined to comment or did not respond to requests for comment.

“I’m kind of surprised that you haven’t seen more deep moral leadership in the U.S. aerospace industry on this,” said Richard Aboulafia, an aerospace analyst with the Teal Group. “But then again they have the imperative of not wanting to annoy their primary customer. The defense industry relies upon Trump for his patronage.”

Byron Callan, a defense analyst with Capital Alpha Partners investment bank, said that despite the uproar over the apparent killing of a journalist, business will proceed uninterrupted.

“We continue to believe that the death of Jamal Khashoggi will not lead to a major break in U.S. or European defense sales to Saudi Arabia, but the issue could linger in 2019-2020 and the war in Yemen,” he wrote Thursday in a note to investors. “We believe it is implausible that Trump would cut off sales to [Saudi Arabia].”

A disruption in the sale of arms would cause short-term pain for the defense industry, but those sales remain a small fraction of their revenue and pale in comparison to what they sell to the Pentagon. For now, instead of worrying about the potential for lost revenue, the industry is waiting for the situation to cool down, analysts said. In a statement, the Aerospace Industries Association, a trade group, said that they will continue to “support U.S. national security and foreign policy goals, and our companies will continue to look to the government for direction on how best to support those goals.”

In recent years, the kingdom has inked some major deals, including a \$222 million contract for eight Chinook heavy-lift helicopters and, the largest ever, \$60 billion in sales that include 84 F-15 fighter jets made by Boeing.

There is also a \$15 billion deal pending to acquire Lockheed Martin's Terminal High Altitude Area Defense (THAAD) anti-ballistic-missile system. Bethesda, Md.-based Lockheed also sells the Kingdom PAC-3 Patriot missiles, which are ground-based and designed to shoot nuclear-tipped ballistic missiles out of the sky.

BAE Systems, a British defense contractor, reported in 2017 that about 16 percent of its sales came from the kingdom, including a recently announced deal for 48 Typhoon jets. The company's stock is down almost 10 percent from where it was a week ago.

Waltham, Mass.-based Raytheon has maintained an especially close relationship with the kingdom. Executives have made repeated trips there in recent years to maintain a long-standing business relationship with the Saudi military.

As it leads a coalition waging war in Yemen, Saudi Arabia is seeking to purchase thousands of precision-guided munition kits from Raytheon. But that sale is being held up in the U.S. Senate by Sen. Robert Menendez of New Jersey, the top Democrat on the Senate Foreign Relations Committee, over concerns "that our policies are enabling perpetuation of a conflict that has resulted in the world's worst humanitarian crisis," he said in a statement June.

Michael Page, deputy director of Human Rights Watch's Middle East and North Africa division, said he is hopeful that more members of Congress will join the senators aiming to block arms sales.

"There is a broad problem of Saudi Arabia's behavior internally and abroad, and the clearest message to send is suspending arms sales," he said.