

TEN YEARS AFTER 9/11: MANAGING U.S.- SAUDI RELATIONS

PANEL ONE

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[00:08:00]

MARINA OTTAWAY: Good morning and welcome to the Carnegie Endowment. There are certainly a lot of people still stuck in traffic. In the interest of time, we are going to start without waiting much longer. We have a limited amount of time. We have to finish right on time at 11:45 because some people have other meetings to go to.

So we are going to open right now. I am not going to take much time on this introduction. I think we all know why we are here. We all know how important the relation between the United States and Saudi Arabia is to both countries, and we also know that the relation has gone through some serious hiccups, both first after September 11 and at the present time.

So we have two panels of people who are highly qualified to discuss these issues. The first panel will focus on the managing of the relationship after 9/11. The second panel will look at the present situation. So without further ado I will turn it over to Christian Koch from the Gulf Research Center, who is going to chair this panel.

[00:9:18]

Let me add one thing. I have forgotten it – speaking without notes on a Monday morning, one forgets things. This conference is organized, the seminar is organized in cooperation with the Gulf Research Center in Saudi Arabia. We are very lucky to have with us three representatives from the center: the chairman, Abdulaziz Sager, who is here – he'll be introduced more thoroughly later on – Christian Koch and Mustafa Alani, who is here on the panel.

Thank you. Christian, it's yours.

CHRISTIAN KOCH: Good. Well, thank you very much, Marina. Let me, at the beginning, just simply say a very warm thank you to the Carnegie Endowment and also specifically to you, Marina, for arranging for this session here this morning. It gives us, also, from the Gulf Research Center a good opportunity to fulfill exactly the kind of objectives of what we want to do in our work, and that is to provide a regional perspective on events that are happening in the Gulf, and the significance that has, then, also for the wider relationship. And specifically here, we're going to be talking about the U.S.-Saudi relationship.

Marina is a very important part of the GRC. She also sits on our foundation council as a very active member, and we do very much appreciate all the support we have.

I will also not take up now too much time in terms of introductions. I think it's important that we get down into the subject itself, given the limited amount of time we have. Just to maybe say one word on the fact, we do know how much change is occurring at the moment in the Arab world. It's a whole new era; it's a whole new age happening. And in that context, of course, the U.S.-Saudi relationship remains one of eminent importance.

And I think it's very appropriate that one looks a little bit at the various issues that are currently defining the relationships. It's very interesting that just this morning I opened up *The New York Times* and I saw an op-ed article by Turki al-Faisal basically saying that there are changes – that if the United States goes ahead and vetoes the

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resolution on Palestinian statehood in the U.N., then this would have a direct impact on the U.S.-Saudi relationship. And I think it's worthwhile also exploring that part a little bit.

[00:11:38]

We have three great panelists here this morning, and I'm asking each of them to speak for about 10 minutes. We're focusing here on the aftermath of September 11th, and specifically, a little bit on the issue of terrorism.

The first speaker will be my colleague, Dr. Mustafa Alani, who is senior adviser and director for security and defense studies at the GRC. He will just then be followed by Professor Gregory Gause of the University of Vermont and Christopher Boucek from the Carnegie Endowment here. There is a piece of paper around with the short bios of everybody, so I don't need to repeat that. So if I can ask Mustafa to start us off for about 10 minutes, and then we'll go to the next speaker.

MUSTAFA ALANI: Thank you very much, Chris. Good morning, everybody. This meeting comes only one day after the 10th anniversary of the biggest crime in human history, 9/11. And since 9/11 we've discovered that the relation between Saudi Arabia and the United States starts to revolve on one major issue, the issue of counterterrorism.

This is question of break or make – make it or break it. And we have the – Bush said, basically, that either you are with the United States or with the terrorists. There is no middle ground. We understand this from day one.

But if you look at the history of Saudi Arabia, the question of counterterrorism, Saudi Arabia faced terrorism long before the United States. And in modern history – I'm talking only in modern history – you have this 1979 Juhayman al-Otaibi revolt in Mecca, which cost about 600 lives and lasted for a month. And this was the biggest terrorist attack inside Saudi Arabia. And the Saudis, in dealing with this, they were very harsh. We're talking about 200 people who were executed, basically.

Then we have the attack in 1995 – (inaudible) – attack – (inaudible) – on the American facilities in Riyadh, which is linked to the national guard. And again – (inaudible) – group – all of them were executed publicly. Then we have Khobar in 1996, attack on the American facilities in Khobar. And here we have a dispute: Who committed this crime? But I think the Americans, after 9/11, they agree on the Saudis' theory that the responsibility belonged to the group – (inaudible).

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And if you look at bin Laden, bin Laden was chased by Saudi Arabia long before he was chased by the United States. After he left Saudi Arabia in 1992 to Sudan, the Saudis put a lot of effort to bring him back from Sudan. Then they punished even the Sudanese government. Then, when he went to – in 1996, when he moved to Afghanistan – the Saudis chased him to Afghanistan.

He was deprived of his nationality in 1994. And they've done everything – even bin Laden accusing the Saudi intelligence of trying to kill him many times in Sudan and Afghanistan.

So we're talking about – let's put – I wish to put the record right, you know? I understand the reaction, the emotional reaction of the United States to the attack. It is justified. This is the biggest crime. But after 10 years, now, we have to sit down and look at the facts apart from the question of emotion.

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So the Saudis' history of counterterrorism is very active and very sincere. You have to remember: 9/11, what did the investigation actually reveal? That there was a strategic objective behind 9/11 for bin Laden. It is not only to punish the United States. It is not only to get revenge from the United States. The major strategic objective is to destroy the Saudi-American relation.

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And the theory of al-Qaida and of bin Laden personally – that this regime, the Saudis' regime, relies 100 percent on American support. And once American support is reduced or disappears, his calculation that the regime cannot survive, and his vision of an Islamic state was going to be established in Saudi Arabia.

So we're talking about, yes, an attack, but an attack with calculation. And this is the reason why Osama bin Laden insisted that the majority of the attackers must be Saudi citizens. And he wished not that the 15 only out of 19. His plan was 20 – originally, the plan was 20 – 20 Saudis to carry out the attack. It was going to be seen as Saudis attacking the United States.

So we're talking about an intentional attempt to destroy the relation. And to be honest, he was successful, at least partly. Because the reaction of the United States after 9/11 was basically classifying that you don't distinguish between Saudi Arabia and al-Qaida.

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And now let's talk about – you see, I have some practical experience in the intelligence field – and look at the facts. This has happened on your watch, not on mine. Those kids were recruited not in Saudi Arabia; they were recruited in Hamburg. And they entered the United States legally, obtaining a visa. And two of them were on your watching list, despite the fact that you gave them a visa to the United States.

And they lived in the United States; they planned their attack. They've done everything in the United States as well – between Germany, Afghanistan and the United – not in Saudi Arabia. So the reality here, the practical reality – that what is the responsibility of Saudi Arabia? What was the responsibility of Saudi intelligence?

Yes, they are Saudi citizens, but the fact that they done most of the job, if not all the job, outside my territory – and at that time there was no international cooperation; there was no concept. So this is a basic fact; we have to look at it again.

Because 10 minutes – I will just move that – and I remind you that in 1988, the 25th of August, 1998, the Supreme Council of the Ulama in Saudi Arabia classified terrorism as the biggest crime, as haraba, according to Islamic sharia, which is punishable by death. So again, it's before, long before 9/11. Even the religious institution in Saudi Arabia classified terrorism as the biggest crime according to sharia, haraba.

But I will – I have not enough time, but okay – four principles now govern the relation between Saudi Arabia and the United States in the field of counterterrorism. The first is a complete separation of CT, counterterrorism, from other relational issues in Saudi relations with the United States. It's different from your attitude toward that Palestinian issue, from my attitude toward the Arab Spring – everything. It is a completely now separated issue, and the cooperation here is have nothing – they have no political influences – it's become practical. So this separation is serving our interest – both of the countries' interests.

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But secondly, the cooperation in the counterterrorism for Saudi Arabia has not become only inside Saudi Arabia. Saudi Arabia is taking the responsibility on regional level and international level. And I just remind you recently – what, last year – the printers came from Yemen going to Saudi Arabia which have explosives, Saudi intelligence was the one who discover it and warned the United States and warned the Dubai police and – so now the Saudis accept that they have – they have a responsibility beyond their border and city. And this is what the United States want because Saudi Arabia is very important here.

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The third point that the – you cannot fight terrorism only by security – by killing terrorists or killing – or arrest them. The United States endorses the rehabilitation and – reform and rehabilitation program which was started by Saudis' initiative.

And actually they try to spread this experience in Iraq and Morocco and in Yemen and try to finance this. So the Saudis won the argument that you cannot only fight terrorism by killing them or arrest them. There is another issue here: the question of reform and rehabilitation. And the United States accepted this principle.

The fourth point – it's related to the strategy that's – the super-strategy about how – what the attitude toward political Islam on both countries. We have agreement here and we have disagreement. The agreement that the extremist Islam – extremism and Islam is the source of terrorism; we have agreement on this. But not to say that every terrorist is an extremist or every extremist is a terrorist because we've seen in terrorists in Iraq who never even know how to pray.

And we have a lot of extremists but they are not terrorists. So – but then it's a general principle that the source – a good source of – supply of terrorists is the extremism.

And there is agreement that you can – you have to fight fire by fire. You have to fight Islamist extremism by moderate Islam and, again, we have agreement in that. You cannot kill Islam. Islam, the religion, survived for, you know, many centuries. And you cannot deny the – that Islam have a political touch.

Islam is different from Christianity or Judaism. Prophet Mohammad when he died – (in foreign language) – was a head of a state. The mosque was the center of government. He was appointing leader – you know, commander of army and all that. So you're talking about completely different set-up in the religion. So the political Islam is as has existed, you cannot move it. But the only way is to fight extremism in Islam; you have to fight it by encouraging, promoting moderate Islam.

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We have disagreement on this. What is moderate Islam? We noticing recently that the American and especially the British – the British leading the plan to promote the Muslim Brotherhood to counter al-Qaida extremism and other extremist forms. And we – in Saudi Arabia – I mean, I'm talking we, but in Saudi Arabia they have their doubts that the Muslim Brotherhood is good, is safe, and you can deal with it to basically to contain the extremist Islam.

The other issue of disagreement, we notice that United States focusing on Sunni Islam as the source of terrorism, not as much on the Shiites. For us we have a lot of Shia terrorism as well, and you cannot confine it to Sunnis. We have an Iraq terrorist group; we have even in a position in Bahrain – if you look at the history of the small Shia group in Bahrain, you have a long history of political violence. So the question of – this is another point of disagreement.

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Here, we have to say basically –

(Off-side conversation.)

MR. ALANI: OK. I will stop.

The question is, is we have disagreement and agreement. But in general I think Saudi Arabia is sincere. Saudi Arabia because – will not spare any effort to fight terrorism. And we have now to put back the issue of the Saudis' responsibility for 9/11.

Thank you. I will stop here because my time finished.

MR. KOCH: Thank you very much, Mustafa for, you know, a very compact and very systematic approach. And I'm sure I see the room is now filling up quite a bit so that later on we're going to have some – definitely some questions and points of discussion here.

Greg, if I can ask you just to come in now, and –

[00:24:43]

GREGORY GAUSE: Sure, my pleasure. Thanks very much for the invitation. Thanks for everybody showing up on a – early on a Monday.

I think 10 years out from 9/11 the remarkable thing to me is how little the Saudi-American relationship has changed. This could have been a historic breakpoint in the relationship. And the fact that very little has changed is the remarkable thing.

And I think that that puts into some historic relief the talk this year about the crisis in U.S.-Saudi relations. I mean, we've had real crises in the U.S.-Saudi relationship – 9/11; the oil embargo of 1973, '74; even 1979, the Iranian revolution and Camp David. I think that they were historically much bigger potential breakpoints in the relationship. But I'm reminded that this is a town that tends to exaggerate and extrapolate from single events to big – to big conclusions. When I opened up The Washington Post sports section today and found out that the Redskins win yesterday means inevitably a Super Bowl appearance – (laughter) – for the local football team.

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But I do think that people who've talked about changes in the U.S.-Saudi relationship have a strong historical basis for that, because to me, the two big changes that have occurred in this relationship are the end of the Cold War, right, which was the overarching geopolitical framework which brought Saudi Arabia and the United States together, right, made them kind of partners in a global endeavor that was in fact global in the '80s. Saudi Arabia supported Cold War efforts in a Reagan administration in places as far flung as Nicaragua and Sub-Saharan Africa.

And the second big change that underpinned the early decades of the U.S.-Saudi relationship was the change in the world oil industry that we saw in the 1970s. All right? One of the fundamental elements of the U.S.-Saudi relationship was that United States companies ran the most important economic enterprise in Saudi Arabia. Now, Saudis run it. They're in charge of it. And while American companies are consultants and purchasers and partners in some ventures, all right, the United States does not run the Saudi oil industry – the Saudis run the Saudi oil

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industry. And if the – if it's not American companies that they sell oil to or consult with or hire on a contractual basis, there are plenty of other oil companies in plenty of other countries that will cooperate with them.

So those two bases of the relationship are no longer there. And, thus, I do think that we have seen a change in the relationship from one of almost automatic, in many ways, cooperation, all right, because of a shared global view and this very, very strong common economic interest, to one where we agree on some things and disagree on others. And the things that we agree on, the common interests, are strong enough that it keeps the two sides together through crises like 9/11, all right, through crises like the oil embargo '73, '74.

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I think Dr. Mustafa was absolutely right, in the post-9/11 atmosphere, that counterterrorism has become a real pillar of the relationship. I think that we also have a common geopolitical view of Iran, although with nuanced differences. But, and this perhaps is not the most optimistic basis for the future of the U.S-Saudi relationship, I think the thing that really keeps us together is a lack of alternatives.

I think that Saudi policymakers would be overjoyed with a multipolar world. I think that they are hoping for the rise of pure competitors to the United States so they can diversify their security portfolio. Saudi policymakers have occasionally said this in public. And I think in the United States, all right, there is more of a sense that we need the Saudis than that we're overjoyed with the Saudis.

So what could lead, in the future, to more tensions, to differences of approach, to issues of – I wouldn't call it crisis – but of real disagreement? Well, I think oil is one thing that might lead to more disagreement than agreement down the line. Saudi Arabia's taken on a whole new set of fiscal burdens this year in response to the upheavals in the Arab world to avoid such upheavals at home.

That means that the break-even point for the Saudis to balance their budget in terms of oil prices – all right, you hear different estimates – but over \$80 a barrel, right? Saudis really no longer price moderates – I think it was a – it's been a mistake to think of Saudi Arabia as a price-moderate country for some time. But I think that the obligations taken on by the Saudi state in this past year means that Saudi Arabia will be even less of a price moderate in the world oil market.

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I think that the United States' reaction to the Arab upheavals of this year, which is not yet set, could become an extremely important point of contention between the two countries. We know that after 9/11 there was a rhetorical push in the Bush administration to democratize the Arab world. Once they saw the results of that democratization, they backed off.

But now I think that at some point the Obama administration or its successors will have to decide whether this very American, rhetorical notion of promoting democracy everywhere is the way the United States should react to the upheavals in the Arab world. If it is, then, you know, we're headed for problems with Saudi Arabia, obviously, because they have a very different view of what secures their own domestic political stability and security and of how the politics of the region should develop.

I think that there's a third issue that could put us at loggerheads – is the salience of sectarianism in the last few months in the region. I think that Saudi security officials have been very frustrated by their inability to deal with

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what they see as rising Iranian influence in the Arab world. They have, I think, over the past four or five years tried to check Iranian influence in Lebanon, among Palestinians, in Iraq and basically failed in all of those places.

The trump card that Saudi Arabia has in its rivalry with Iran is sectarianism. There are more Sunnis than Shia in the Arab world, in the Muslim world as a whole. And we certainly see a rise in sectarianism in the region as whole stemming from events in Iraq, stemming from events in Lebanon, but I think now, to some extent, encouraged in Saudi Arabia since – especially around the Bahrain issue.

To the extent that sectarianism becomes even more salient in the region, I think it provides an atmosphere for the kind of radicalism – for the kinds of Salafi jihadist movements that Dr. Mustafa mentioned as our common enemies – to thrive. I think it's one element that encourages radicalization on both sides. And that, I think, could be a problematic issue.

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And finally an issue – a problematic issue, of course, is how to deal with Iran. Although the United States and Saudi Arabia, I think, share a geopolitical goal in containing Iranian influence and Iranian power in the region, and eventually seeing some kind of changed Iranian domestic political system, I think that we have different views about how that should continue. And of course, if it comes to the point where the Iranians do acquire nuclear capability, we and the Saudis could have very different views on how the Saudis should react to that.

And so I think that the relationship between the United States and Saudi Arabia – the remarkable thing about it 10 years after 9/11 is how little it's changed. But the relationship now, I think, is based much more on specific common interests than on a shared worldview or even a shared notion of common economic interests. And the question in the future is going to be, will both sides be able to compartmentalize the differences and continue to cooperate on the – on the areas on common interest?

There has been a history of that, obviously on Arab-Israeli issues, of compartmentalizing it, with some exceptions – big ones, like '73 and the oil embargo. But the question will be as those disagreements mount – as the number of those disagreements mount, if they do, will the two sides be willing and able to compartmentalize them and maintain cooperation in areas of common interest, or will those disagreements overwhelm the relationship?

Thanks.

[00:34:51]

MR. KOCH: Great. Thank you very much, Greg, also for really now widening the discussion on various issues that are going to play a role. It will, of course, be quite interesting to see where this sort of least-common-denominator approach in terms of lack of alternatives will still be sort of the driving factor in either overcoming the many issues of contentions that you just outlined, or allowing it to become a much more serious factor.

Let me turn then to our third and final speaker on the podium. Christopher, if I can ask you to start your remarks.

CHRISTOPHER BOUCEK: Thank you very much. I think – I'd like to keep my remarks brief so we can have a good discussion, but also to build on the remarks made by my colleagues. And in thinking about this morning, one of the things that really struck me is that the more things change the more they really stay the same. And I think that's really something that came out in both the earlier discussions.

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Thinking back to early September, 2001, the big issue was how the United States was going to act on the peace process and on the state of Israel. And there was an awful lot of discussion about the special relationship. And now, 10 years later, as was mentioned, opening up The New York Times read – we read an op-ed from Prince Turki, again, talking about this issue.

And I think – to really kind of reiterate something that's been said several times already, the United States and Saudi Arabia need each other – there are no other alternatives. No one else can do for Saudi Arabia what the United States does and no one else can do for the United States what Saudi Arabia does. And I think, you know, when we look back at how this relationship has evolved and not necessarily changed, I think we have a much better, probably more nuanced understanding of this relationship than maybe we did 10 years ago.

Ten years ago I think there was an awful lot of discussion about how unstable the kingdom was, or that Saudi Arabia was ready to fall at any time. And I think we have a much better understanding of conditions inside Saudi Arabia than perhaps we had in the past. And I think if we look back to September 11th, 10 years ago, this was a huge shock to the relationship. But yet, this relationship has endured.

And I'd argue that this turned into probably one of the best security, counterterrorism relationships that the United States has. Washington and Riyadh cooperate extensively, and I think Mustafa laid that out, but also I think Greg touched on that as well. And I think this point about common interests, maybe not necessarily shared worldviews, is a great way to put this in perspective.

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You know, when terrorism came back to Saudi Arabia in a significant way in 2003, we saw the Saudi government take huge changes that they hadn't perhaps taken until then. And, of course, you know, today there are things that can be improved upon, right? I mean, I think every relationship – especially when it comes to security and counterterrorism has things that can be improved upon. Terror finance is probably one of the most important ones today, though.

And I think when we think about terror finance, we need to differentiate between the fundraising that's done for al-Qaida-style militancy versus the fundraising that's done for Taliban or South Asian or other forms of terrorism. And I think if we look at this we see, you know, a relationship and a position on terrorism that probably went from ignorance and denial and shock to full engagement on a range of counterterrorism issues – which Mustafa did a great job of outlining – everything from law enforcement, hard security and law enforcement measures to the softer rehabilitation and disengagement efforts – education aspects.

Now, this is probably – for me as a researcher – this is probably one of the more fascinating aspects of the relationship. And I think if you look today you would see that there are no active al-Qaida cells operating in the kingdom, not like what we saw, you know, during the height of the violence, 2003 to 2006. And I don't think there are too many other countries that can boast of dismantling the organized infrastructure of al-Qaida the way that Saudi Arabia has.

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And I think, you know, we can see, you know, comments and evaluations of this relationship in a range of sources – if it's official statements from American and Saudi policymakers; if it's, you know, media reporting; or if it's in the WikiLeaks documents. Something that comes out again and again is, you know, the Saudi willingness to cooperate on a whole range of issues.

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I think, you know, we need to – when we think about terrorism inside this relationship and this issue of terrorism – you know, I think the Saudi government gets the picture that this is about the stability and security of the regime. And I think this comes back to this notion of common interest versus shared worldviews.

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Yeah, I think – as I said, I think there are things that can still be done, you know, in addressing the support and the sympathy and kind of the ideological or intellectual infrastructure behind al-Qaida and violent extremism. I think, if you – if you take a step back and you look at what the kingdom has done, there are a whole range of programs and efforts to attack that intellectual and ideological justifications for violence. And this is a multigenerational project. So I think – you know, we've only been 10 years into this, and it's going to take a lot longer before we see how a lot of this plays out.

I think I will stop there. But before we turn it over to questions, I would just like to highlight a new web tool that we have, looking at wanted Saudi militants. And this is – for those of you that are familiar with, (again, ?) social network analysis, this is kind of very similar. What this does is that it plots out how people are related to one another and how they're connected to one another. It's through developing that more nuanced understanding that we can figure ways to take apart these issues.

So this is on our website. It's a dynamic tool. So you can highlight on individuals. And from there, you can see how different people are connected to other individuals, to organizations or to places. It's also displayed chronologically and geographically. So there are links to other material. But it also has information on how those people are connected to one another. So you can highlight different links like this one. It explains how people are connected. So Shada Shukri (ph) and Kasmu Raimi (ph) are associates, but also, they have other connections you can highlight and see that.

So this is a data set that started out just with the 11 Saudi returnees from Guantanamo who ran off to Yemen in January 2009. Of that, seven are still at large, two have been killed and two have been captured or surrendered. So I'd encourage you all to play with it and tell us how we can make it more efficient and more fun.

[00:42:04]

With that –

MR. KOCH: Great. Thank you very much, Christopher.

I think we've had some three very precise and interesting interventions. And I think all three panelists were very much sticking to the time, so that gives us enough opportunity here now to engage in a substantive discussion about – I'm sure that – many of the issues that were raised.

What I propose is, I think I can take about four or five questions at once, return it to the panel, and then we can do another cycle after that. So if I can just take some of the interventions. And maybe you can please just identify yourself so that we know who's who.

Q: Thank you. I'm Barbara Slavin. I'm from the Atlantic Council.

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I would like all of the panelists to talk a little bit more about the Palestinian question, whether you think, as Prince Turki wrote, that this is going to be a big issue in U.S.-Saudi relations. Do you think the Saudis would take on the task of financing this new state if the United States cuts off aid? What's going on now in terms of Hamas-Fatah? Is that all now an Egyptian project, or are the Saudis involved in trying to make this work? Thanks.

MR. KOCH: OK, very good. John?

Q: John Duke Anthony, National Council on U.S.-Arab –

STAFF: (Inaudible.)

Q: John Duke Anthony, National Council on U.S.-Arab Relations.

[00:43:28]

If we could come back to the word and the concept of moderate, moderation, which, I think, Mustafa, you touched on, I would like either more elaboration or comment on it having become a very loaded word. If an individual has this attached to her or him as an adjective describing her or his views, it is increasingly not far distant from the old days of running dogs, of lackeys, of America's Arabs. And so, amongst specialists, we can agree on what moderation is, but it carries baggage; it has implications and consequences in the public domain, in the media and in the political dialogue.

MR. KOCH: OK, great. (Inaudible) – go to this side, please.

Q: Hattie Babbitt, with NDI.

[00:44:24]

I liked the first two questions better than mine. But I have discovered in an area of the world that I know the best, which is Latin America and narcotrafficking, that understanding the financial implications of all of this is key to understanding what to do. And I guess the question is for Christopher Boucek about just exactly where are those gaps, and what do we need to be doing to deal with them?

MR. KOCH: OK. Do you have another – please, here.

Q: Walt Cutler (sp), former U.S. foreign service.

When we look at the regional problems with Iraq, neighboring Iraq (sic) comes to mind. At one point, some of the Saudis were saying, look, your invasion of Iraq is bound to create for us an Iranian-controlled, if not -influenced neighbor with a – obviously, it's not said – but with a Shia majority. To what extent do you think this is – lies on the horizon of problems for U.S.-Saudi relations?

MR. KOCH: OK, great. And then I'll take one more, on this side, please.

Q: Hugh Grine (ph), staff.

How do you see the emergence of Turkey being a sort of a rival to Saudi Arabia because of its influence with newer regimes – newer governments? Better way of putting it.

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MR. KOCH: OK. I think that's already a slewful of issues now to tackle. So we have one general question on the Palestinian question for all panelists; on the moderate, I think a little bit more to Mustafa; the financial implications, of course, or the financing, we'll ask Chris to respond; and then the two issues of Iraq and Turkey as well. Maybe I can go in the same order at the moment and ask Mustafa to start off and –

[00:46:20]

MR. ALANI: The question of the Palestinian two-state solution is originally a part of the Saudis' initiative, then become part of the Arab initiative. So the Saudis committed to the principle and to the cost as well, at least partially, for the cost – political and financial cost of this idea.

But, you see, it's what we're facing now, we – the problem we're facing now – that the United States' attitude. The Palestinian issue is not Saudis' responsibility, it's not – it's international responsibility. This is not only confined to the Saudis or to the Arab. And now we went full circle after 9/11; we went to the real issue, which is the Palestinian issue.

What the Arab initiative offered is something which I personally couldn't believe – to be honest – coming from Saudi Arabia, the heart of, you know, Islam, what you call Arabism, Islam. What the initiative offering is basically – is not only peace, it is normalization, and on the style of Camp David and Wadi Araba, establish relation. And it's "you buy one, get one free" principle, because it is not only the Arab; even the Islamic Conference endorsed the idea. So the Israeli will get about 100 country going to recognize Israel and normalize relation. So I think this is put really the ball in the Israeli play.

And I think the Saudis will commit – will – themselves to this resolution, to this idea. And you have to remember, the man who initiated the idea is King Abdullah himself personally; this is a personal issue. So I don't see the Saudis going to wiggle out of their responsibility of this – of this project development.

MR. GAUSE: John, the only moderate in the world that I know is me. (Laughter.) So –

[00:48:39]

But I think that this term moderate is – I mean, we're the ones in the States who have basically given it that meaning, right? And every – we defined the moderate Arabs as those who were friendly to us; no matter what their domestic political system was, no matter how immoderate their views of Islam or anything else were, we're the ones who equated the word moderate with pro-American, and that's just the way we talk. And I think it's a shorthand that obscures as much as it illuminates.

Barbara, I think the Palestinian question is – you know, it's always been one of those things that we and the Saudis disagree on. And one time, in the history of the relationship, it blew it up, right? And it blew it up hugely. One time it kind of semi-blew it up – '79, I think; you know, the Saudis were quite put out by Camp David and – but there was a lot of other stuff going on in '79 that led to problems as well.

And it's just – I think that it's not so much the Palestinian question itself because I don't think Saudis expect the United States to cooperate with them on this; I think they're – I think they're pretty jaundiced about it. The question is, will it, with a number of other issues, kind of just put too many weights on the scale of the negative side of the relationship?

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And I just don't know. I don't know. You know, if I – if I go by past history, I would say that the Palestinian issue is not something that the Saudis are going to allow to blow up the relationship. But, you know, that's kind of a track record where – you know, I thought – I thought Hosni Mubarak's regime was pretty stable too, so don't go on me – (laughter) – to predict the future of the Middle East.

[00:50:32]

You know, I think that the whole notion – we're talking about Iraq and Turkey – it makes me think about this idea that's circulating here in this town that Saudi Arabia is leading a counterrevolution to the, quote, unquote, "Arab Spring."

I think that that vastly overstates Saudi power in the region and vastly overstates Saudi ambitions right now. I mean, without a doubt, Saudi Arabia is counterrevolutionary when it comes to monarchies, right? It will support monarchies against popular movement; it will – it will even do enormous violence to geographical concepts to bring Morocco into the Gulf Cooperation Council. On monarchy, Saudi Arabia is counterrevolutionary.

But on – I don't see the Saudis as having that much clout in what happens in Tunisia – even what happens in Egypt. And the role that Turkey is playing on the Syrian question, you know, is much more forward than the role Saudi Arabia is playing on the – on the Syrian issue, it seems to me, even though Turkey and Syria, I think, are kind of – I mean, Turkey and Saudi Arabia are kind of coming down on the same side on Syria.

On Iraq, the Saudis have failed utterly in attempting to turn Iraqi politics, you know, in a – in a direction that would be more favorable to them. Personally, I think that they're pursuing a very wrong-headed policy by refusing to engage with the Iraqi government because I think they're in effect just conceding Iran even greater influence in Baghdad than they have now.

But I think, in general, you know, the greater involvement of Turkey in the region as a whole is good for Saudi Arabia, because it – in the end, Turkey, I think, is a counterweight to Iranian influence geopolitically, and because I personally think it's good for the United States, too. The more regional powers block each other in the Middle East, the less likely it is that you're going to have a single dominant power that could be hostile to the United States emerging in the region.

Now, there are, from an American point of view, obvious irritants to having Turkey play a greater role, having to do with the Israeli relationship. But on – but strategically, I think, from an American point of view, in the Middle East, the more the merrier.

[00:53:05]

MR. KOCH (?): Chris, I'm going to ask you to –

MR. BOUCEK: I think on the issue of Palestine, the only thing I would add is, I think, in addition to everything that's already been said, that this – I think, for Saudi decision-makers, this has a domestic impact as well, how it drives domestic recruitment of radicalization. And there have been correlations between events that happen in Israel and Palestine to events that happen inside the kingdom, and the support that gets ginned up because of that. So I think the Saudis look at this, I think, lots of different kind of levels, but one of them that we probably don't think of too much is the domestic impact.

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On the terror finance, you know, I think when we look at, you know, what the kingdom has done, it's been pretty remarkable, right? You can no longer send money abroad the same way that you used to. A lot of charities have been shut down. There's only one charity, according to law, that can send money overseas; money laundering legislations; getting the official clerical establishment to make pronouncements and issue religious decrees outlawing funding of terrorist organizations and equating it with participation in violence – which I think is a big – a big step.

[00:54:14]

I think, you know, there's obviously many things that can still be done. And one of the problems is, while Saudi authorities may be able to control where money first leaves, after that, they don't have control over (it ?). So this, like so many other issues, we need to look at from a larger international aspect, I would say, right? So –

And the other point I would kind of bring up is that this is a very cheap business to be in. It doesn't cost very much money to mount these operations or to support these organizations. So we're talking about very, very small amounts of money. Clearly, there's a lot of things that we can do to still improve it, but, you know, I think the amount of money that was coming out of the kingdom and some of the other Gulf states has trailed off significantly.

MR. KOCH: OK. Mustafa thought at the beginning that we were answering questions one by one, so I'm going to have to give it back to him – (laughter) – also now to give him the chance to answer the other questions. We had the one on moderate and then also, of course, Iraq and Turkey. And specifically, I mean, would you agree with Greg that Saudi Arabia is conceding in Iraq? And as well as the Turkish involvement – is that good for Saudi Arabia?

MR. ALANI: First, John, question about moderate. You see, at one stage, Muslim Brotherhood were – represented the extremist Muslims during the '50s, even '60s, '70s when Nasser tried to fight them – even the Saudis. After what we seen from al-Qaida and the takfiris and the jihadis, we went back to the principle that those people, they're, you know, acceptable devil to us, OK?

The problem now, we reach a point, you know, this Arab Spring. If you look at Egypt, if you look at Syria, if you look at Libya, if you look at Tunisia, even Yemen, the front line, you can see the Islamist Muslim Brotherhood school in the front line. Ghannouchi; you have Abdul Hakim Belhadj – (inaudible) – and now the one who basically took the responsibility of fighting the regime in Libya, although he belonged to the fighting group – Libyan – the extremist – now, he basically moved ground to the moderate Islam.

[00:56:41]

The problem is, we reach a point that you cannot ignore Islam as a political power. The question is to choose between extremist Islam or moderate Islam. And the only institutionalized Islam we have so far is the Muslim Brotherhood – survived since 1920s, whether Zindani in Yemen or Ghannouchi in Tunisia or the – or in Jordan or – so we reach a point: You cannot avoid to recognize political Islam as a force in these country, especially after the Arab Spring.

If they're going to win the election in Egypt, they're going to be in the structure of decision-making. They don't care about president because the president have very limited power. They care about controlling the legislative – the parliament. And the same strategy, actually, in other part – this is the Muslim Brotherhood's strategy.

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So I think we have to recognize the reality whether we like it or not. So – and we have to call those people as a moderate because if you look at the literature coming from al-Qaida calling the Muslim Brotherhood and the Sufis and all these other schools as kafir, as nonbeliever and non-Muslim, so I think that – not because we love the Muslim Brotherhood school or the school of thought, but there is no alternative and we have to call them moderate.

The question of Iraq and the influence of Iran: You see definitely the Iranian influence reduced now in 2011 compared to 2003 or (200)4, (200)5, (200)6, (200)7. There's a remarkable reduction in the Iranian influence in Iraq.

You can fight – historically, you can fight Iranian influence in Iraq by reviving two things: either Iraqi nationalism or Arab nationalism. If you revive Iraqi nationalism, the Kuwaitis will be very worried because one of the cornerstone of the Iraqi nationalism is the claim over Kuwait – one of the history claim, OK? If you revive Arab nationalism as an instrument, the Kurds will be very worried because, again, they want a country which the Kurds have equal right on this.

[00:59:08]

So I think that now we're witnessing a slow revival of both these things, countering the Iranian influence inside Iraq, gradually. Even, you see, the question of Maliki: When he went to election, he changed the name of his party because he don't want to have this sectarian dimension, Hizb al-Dawa (sp), as a Shiite. He want to show that he is a nationalist force, nationalist figure, rather than sectarian because the – it's become a liability to be a follower of Iran in Iraqi politics now.

So, yes, the concern is justified because the Iranian taking advantage of weak state. And it is definitely justified because the Iranian – you see, the Iranian power is not military, is not diplomatic; it's intelligence power. This is the secret of the Iranian success, whether with Hamas or Hezbollah or Houthi or Bahrain. And we don't have a – we couldn't build a counter capability in Iraq, neither American nor Iraqi in intelligence-wise to control the Iranian influence.

The question of Turkey: You see, Turkey is – basically, they discovered Aladdin cave next door all of a sudden. We have a long history of Turkish noninterference in our affairs. The only issue between us and Turkey is the Kurdish issue; it's the major issue. And since the Baghdad Pact and the Central Pact dissolved, Turkey never played any strategic role in our region. Turkey is not a military power; it's not really economic power; it is a diplomatic power.

And when we accept Turkey in the beginning – because one of the card in the Turkish hand is their relations, strong relation with Israel. And this is for us important because either the Turkish can play the mediation role, or basically we took Turkey away from Israel. This is how we looked at it, OK? Our judgment is right or wrong, I don't know, but Turkey – everybody accepts Turkey because Turkey, compared to Iran, have no history of interference in our internal affairs.

[01:01:41]

Now, things is changing. Turkey dancing in every party. And I don't – I don't know whether it is a positive or negative result for Turkey; it is too early to judge. But now, people start to take attitude toward Turkey. Before, there was no attitude toward Turkey.

MR. KOCH: Great. Well, we've got about 20 minutes left, so it's easy to have another round of questions and return to the panel one more time. If we could take the question back there?

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Q: Hi, I'm Julie Taylor from the RAND Corporation.

And I had a question about Saudi funding for Salafi movements. I'm wondering how much this has a foreign policy objective and how much it's just for proselytization. Is this – is the decision-making separated within the Saudi government? And is there ever clashes on this issue? And if it does have foreign policy goals, then what are they?

MR. KOCH: OK. Let's do another – way in the back.

Q: Jim Lobe, Inter Press Service.

I'd appreciate it if the panelists might expand a little bit on Saudi attitude toward Iran and the rhetoric coming out of WikiLeaks about cutting off the head and what is to be meant by that. And if you have time, I'd be also more interested in talking about the Saudi attitude towards Syria and Assad and what it wants to see.

[01:03:23]

MR. : Syria.

MR. : Syria and Assad.

MR. KOCH: OK. Are there any other questions at the moment to bring in? Maybe up here in front?

Q: Stephen Brathwaite (ph) with Fair Observer online news magazine.

There is an element that seems to be missing from the discussion, which is the issue of governance, individual liberty and self-determination. What are your views, especially Mr. Alani, on the evolution of governance in Saudi Arabia as well as the role of institutionalized religion as it might be compared with the historic evolution of the Vatican? Thank you.

MR. KOCH: Well, we certainly begin to expand the whole gambit now of issues here, specifically. If there's another question I can take one more; otherwise I would suggest that we go back to the panel. But this time I'd like to do it in reverse order, so maybe Christopher can jump in first.

[01:04:26]

MR. BOUCEK: Great, thanks. I think I'll just go in order – so Julia's question on the funding for Saudi organizations abroad, right? I mean, I think, you know, when we look at how – when we look at the Saudi money, if it's on any issue I think it's good to keep in mind that it comes from lots of different sources: from individual princes or business people; it's from, you know, individual clerics or universities or committees or commissions – there are lots of different sources.

And I think if – if we think that, you know, the Saudi state is a state that's basically, you know, founded on the idea of propagation of its interpretation of Islam, this isn't very surprising that this happens, right? And there are a whole range of institutions designed to do just that – locally, domestically, regionally, internationally. And, you know, does this have a foreign policy objective? I think – I wouldn't want to give too much credit for advance planning, because I don't think that's something that oftentimes happens.

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But I think – when we look to who it is that the Saudis – the Saudi government, I should say, interacts with, is people that they have relationships with, right, and people who share their worldview. So I would say, you know, oftentimes it's not surprised in Yemen who it is that they interact with, or in Morocco or Egypt, right – people who share their worldview and people who they've known, right, who they've built relationships with over a long period of time.

So I – you know, is there a foreign policy goal in some of this? You know, I think a lot of foreign policy decision-making in Saudi Arabia happens kind of – (chuckles) – as decisions get made. I don't think there's a lot of advanced thinking that goes into some of these things.

On the issues of Iran and – or Saudi views of Iran and Saudi Arabia, I think my colleagues can probably speak to that better than I can.

[01:06:12]

On the issue of governance and the evolution of governance – you know, I think this is a key thing that we see happening in Saudi Arabia over the last 10 years, right, is the evolution of the Saudi state, and especially the efforts that King Abdullah and the royal court have made to institutionalize the state. So I wouldn't say this is about reform necessarily as about the state seeking to exert its control over areas of the government that it probably didn't have as much control over as in the past.

So if it's the ministry of education or higher education or justice, how do they institutionalize in these things? And I think we see a lot of efforts – you know, if it's the February 2009 reshuffle of the government where virtually every judicial and religious senior leader was replaced all in one sweep, to the Fatwa restrictions, to – all of these efforts to extend greater control over the state.

[01:07:05]

So, I mean, I think there's still very clearly a lot of measures that can be taken to improve governance, to be sure. You know, that said, I wouldn't go as far to categorize Saudi Arabia as an absolute monarchy, right? I think when we look at how decision-making gets done, it's, you know, through consensus and a lot of other issues.

The role of institutionalized religion – I think this is a fascinating question. And I think we see, you know, in this process that religion has been a lot more institutionalized. It's not yet to the point that we in other countries; it's not the official licensing of mosques, the official licensing of preachers or the issuing of Friday sermons, but there is much more guidance that's given. And this is all about security and stability; I think that's the best way to look at some of those things.

With that, I'd pass it on to my colleagues.

MR. KOCH: OK. Greg, if I could ask you to go next.

MR. GAUSE: Hey, Julie, how you doing? You know, I think the most interesting thing that I've noted among Salafis in the last year is how they seem to be kind of changing their tune on this whole issue of democracy. I mean, one of the things that characterize the Salafi movement, and certainly its most extreme branch, is – whether violent extremism, bin Laden and al-Qaida, or kind of, if you will, theologically extreme – the Saudi ulama, right – is that democracy is an innovation; it's un-Islamic; it's not – it's not proper for our part of the world.

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And what do you see now? I mean, you see these Salafi movements in Egypt organizing for elections, and perhaps even more troubling – if you're a Saudi ruler – you see Salafi activists in Saudi Arabia itself participating in the municipal elections back in '06 – '05, sorry – and some of the noteworthy Salafi activists coming out in support of the revolts in Egypt and Tunisia. Right? Salman al-Ouda, who's a colorful and checkered career in Saudi politics, had his television show lifted from NBC because he was openly calling for support for the – for the revolts and the popular uprisings in North Africa.

[01:09:26]

And some of these Salafi activists signing one of the petitions in Saudi Arabia that called for an elected legislature – which I think is a fascinating ideological shift in the Salafi movement. It's not unusual for the Saudis to have backed political movements that have turned against them. (Chuckles). Right? In 1990 in the Gulf War, all these Muslim Brotherhood organizations which the Saudis had been close to, right, during the days of Arab nationalism came out against their side in the Gulf War. Right?

And we might be seeing a similar element in the Salafi movement now – we'll see. I mean, it's early days on this, obviously. But I also think that we have to avoid the kind of reductionist position that every Salafi movement in the – in the Muslim world is basically an offshoot of Saudi Arabia. I mean, I think that Salafism is the most dynamic and fastest-growing kind of ideological stance within Islam in the last 20 years.

And some of that's been Saudi money, without a doubt, all right, but some of it – I think it's gotten beyond that. And Salafi movements, as we know, I mean, have taken off in all sorts of directions from al-Qaida to, you know, running for office in Egypt. And so I would – I would hesitate – I think there's a popular notion in this town that the Saudis could turn the Salafis off if they wanted. And I think that – I think that things have gotten beyond that right now.

On the Saudi attitudes toward Iran, I mean, I characterize it as – all the Gulf states, I think, look at Iran with – and the American – the American relationship to Iran – with some amount of magical thinking in their heads. They want – they want the United States to solve this problem. But they want the United States to do it in a way that doesn't have any negative blowback on the Arab side of the Gulf.

[01:11:49]

And thus, you know, you'll see – I've engaged Saudis in conversations about this where they've said the most extreme things about what the United States should do to Iran militarily. But then, later in the conversation, they'll kind of back away and say, but we don't want to – we don't want to be the victims of the Iranian reaction if you guys do something.

And to me that kind of defines magical thinking, right, that – and thus I think that there's a real conflict among people – among leaders in the Gulf, and people in the Gulf, too, about the Iranian situation. I think that they want it solved, but they want it solved in a way that will not have any negative repercussions on them. And that's just not – that's not in the cards. That's not in the cards.

I'll just briefly say something about internal politics. I'm a good Catholic boy, so I don't like to talk about the Vatican, you know? I'm afraid that it's a sin and I'll go to Hell if I say something wrong. But I will say that I think that, you know, there's absolutely no hope that Saudi Arabia could ever play the role of the centralized authority in Islam, right? We go back to the 1950s and Dwight Eisenhower was kind of sold on this idea that King Saud could be the Muslim pope, right?

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And although it's never put that – as in unsophisticated a way, these days there is this belief in some circles in Washington, I think, that, as I said about the Salafis, if the Saudis just worked hard enough they could get a handle on all this Islamic stuff. And Saudi Arabia is a Salafi state; it represents one element of one of the sectarian branches of Islam – an ideological movement that I think the Saudis have, to a certain extent, lost control of – even their own movement of Salafism.

[01:14:00]

And thus I – while I think Chris is absolutely right that they're trying to institutionalize at home, right, in ways that would appall classical Salafists like, you know, limitations on fatwas and guidance on Friday sermons and stuff like that, right – I think that would appall classical Salafists, right – that that's about domestic politics more than it's about trying to control the wider region. I mean, internal governance – Saudi Arabia's not a democracy; as long as the al Saud run it, it's not going to be a democracy. There's going to be very little democratic elements there.

I think that the al Saud leadership looks at what's happening around them and says, all right, we've got a formula for stability here. We don't have to compromise; we don't have to democratize. We are a stable country and we're going to – we're going to go with our formula. So far, that formula's worked for them. And I think that's the way they think about it.

MR. KOCH: Thank you. Mustafa, the last word on this panel goes to you.

MR. ALANI: Yeah. You see, in the last 20 years the Salafis' movement divided up to three main schools. You have the Salafi da'wah (ph). This is a preaching, non-politics, which is you have the style of the Saudi state. You take away the political and military dimension of the – of the thinking of this school. You have Salafi jihadi – the jihadi Salafis, which Taliban is of this school. They are not terrorists; they basically consider jihad as a self-defense mechanism. And some of the group in Iraq use it, OK – so, Salafi jihadi. Then you have Salafi takfiri, which is the takfir, which consider everybody – anyone not part of them as kafir – as non-Muslim. And you have al-Qaida for a good example.

[01:16:16]

The Saudis, is basically stick to the Salafi da'wah; nothing new since 1960s. The objective of the Saudis' policy – foreign policy is basically to spread Islam. And this is part of your duty as a good Muslim. So it is not out of the – of the principle of Islam. The Saudis never calculate that this could develop to something else, even when they support the jihad in Afghanistan. Because for them, this is belong to the Salafi jihadi, which is justified – it's a jihad as a self-defense mechanism when you have – it is not – it is an – this is a defensive principle, not offensive principle, OK?

Then they discovered that they – that, you know, the genie out the bottle – once it's out you cannot control it. And whether your school misused of the – of the mosque you built in Pakistan or the money you pay – you paid for a certain specific objective, but you discovered that it is no longer under your control.

Then they reverse their policy completely. I mean, if you look at now the legislation related to this counterterrorism, you cannot even pay one penny without the government knowing what the end-user of this money. So they try to basically reduce the effect. And you have to remember, the Salafis now – you have seven Salafis parties now established in Egypt; they're going to participate in the election. They call them – (inaudible) – they call themselves as the Salafis.

[01:18:04]

But this is – (inaudible) – on the Salafist principle. I was following the whole debate within the Salafi school. You have a review in Egypt. You have a review in Libya. You have a review on Morocco of the – of the principles of the Salafist jihadi and Salafist takfiri. And those people went back to the Salafis at the – (inaudible) – the similar school – the original school of Salafi. And this is – so the Salafist movement itself is reforming itself. We're witnessing a major reform in the Salafist movement. And, again, we're going back to – you see, the problem the – what the Salafis are doing, which I agree 100 percent, you cannot legitimize occupation and delegitimize a resistance.

You cannot do that, whether in Afghanistan or in Iraq or any other place. There's a part of this jihad which is a self-defense mechanism of legitimate in the U.N. Security Council resolution and everything. So mixing terrorism with jihad is a problem. And this is why the review. They put the border where what is jihad and what is terrorism. So this is important development.

The question of Iran – (inaudible) –

MR. KOCH: You have – yes, a couple minutes. (Chuckles.)

[01:19:25]

MR. ALANI: OK. The question of Iran – actually, Iran is for us is – in Saudi Arabia, it is a multiple threat – it's a strategic threat; it is internal threat because you see what the – what the Israeli can do – put one spy, two spies in my territory. The Iranian have a lot of people, you know – again, because of the sectarian dimension they can use and abuse those people to undermine my security. So the ability of Iran – again, I go back to the same point: intelligence capability – it's huge. For me, I have no counter. I never developed a counterstrategy to undermine or destabilize Iran.

The Iraqis under Saddam Hussein were able to develop this, but none of the Gulf states were able to develop that – this sort of capability. So I am in defensive and they are on offensive.

For me, strategically, I look at Iran now – 10 years after 9/11 – Iran used to be contained by two countries: the Taliban regime – the Sunnis' extremist Taliban regime on their border in Afghanistan; and the Iraqi regime – Baathist regime – mark it – well, you call it whatever – on the Iraqi border. And you have the Gulf states, and you have Turkey.

Now we look at – the Iranian basically sat under the tree and opened their hand and apples start to fall on their lap without any cost. I understand why the U.S. invaded Afghanistan. I cannot understand why Iraq. But anyway, I mean, the Iranian basically picked up the fruits of the U.S., whether you call it wrong strategy or – but the impact on me is huge – is huge because, you see, I lost Iraq as a buffer state between me and Iran. And the funny thing is I've not lost Iraq only as a power, I lost Iraq to Iranian influence. So it is double-impact here, you're talking about.

The same in Afghanistan – I was part of the discussion between the American and the – and the Afghani on the question of how to deal with the – with the problem – with the Iranians, sorry – Iranian and American. And I was surprised, you know, how the Iranian tried to maintain the American forces in Afghanistan because they think that if the American leave Afghanistan, Taliban going to come back.

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[01:21:57]

And, again, the strategic nightmare going to develop on their border. They cannot deal with Taliban. They cannot imagine after all what happened, now they are free – they can do what they want – the Taliban coming to power. So the real active power that don't wish that the Americans to pull out of Afghanistan is the Iranians.

For me, it is – you know, it is a nightmare because I have long history of Iranian interference in our internal affairs; I have a (Shiite ?) population which can be used and abused by the Iranians; and I have a strategic power sitting on my tail.

And you can add in the nuclear dimension. This is again a major problem for me. It is not a problem for Israel; it is not a problem for the United States because the difference in the capability of the Iranian government to develop such capability – the U.S. can destroy Iran in five seconds – or even the Israelis.

This capability – I am going to be the first victim of this capability – not the Americans; not the Israelis. So basically we have a deep worry – strategic – on the strategic level and technical level about what going to – the American relation with Iran and about the Iranian development.

The question of Syria – you see, there is two things in the Saudis' attitude toward Syria. They are not – they are not in love with the regime of Bashar Assad. We have long history of problem with this regime. It is alliance with Iran, with Hezbollah; and the whole Syrian policy basically was established on countering the Saudis' policy.

So the question here is not whether the Baathist regime can go in Iran or not – in Syria or not; the question – what the impact of a civil war in Iran – in Syria or a collapse of security situation – this is a major nightmare. Then, you reach a point; there was a hesitation; then they decide to side with the people. Because now you can see the revolution in Syria – I can put more than 50 percent is going to win the fight. So United States changes its attitude, other country also in Europe change its attitude. So this is the attitude towards Syria.

[01:24:22]

The question of the personal – human rights and good governance, yeah – you see, the problem in Saudi Arabia, if you live in Saudi Arabia, discover something – that if you rule Saudi Arabia tomorrow and you try to introduce reform, you have a huge opposition from certain sector of Saudi society. And I'll give a very simple example.

In the '80s, Aramco basically organized a small party that (Arab Ode ?) (ph), one of the famous player – Arab Ode (ph) – going to play with the Spanish just to – between the two – instruments. And we have a hell (ph), you know, open from them. This is – (inaudible) – this is – and the government was forced – I can tell you, it was forced to cancel this simple, simple party. So the opposition is not coming only from part of the royal family or – (inaudible). The opposition is coming from part of my society.

The question of women driving – actually, the majority of the opposition coming from the society. You don't – you know, you cannot – you take sample of people who are liberal, who are visible calling for this. Go to Saudi Arabia and you discover, the – (inaudible) – they are the opposition not the support of this principle for a different reason. So the government is facing a major challenge – how to control this force which is opposite of – but huge opposition to reform and to liberalization.

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So – and at the end of the day, you know, as a government, I want to survive. I have to look – if you're talking about democracy and taking account of the popular, I have a clear section of my popular society which have a clear opposition to any reform. King Abdullah done a lot, you see.

The first important thing is to control the – (in Arabic) – the Supreme Council of Ulama. And since King Faisal, this institution used to be independent. It has been nationalized by the government. Now the ulama appointed by the ruler.

[01:26:41]

And when one of the young people who brought – the young man who brought by King Abdullah, who thought – King Abdullah thought this man is going to be a reform power within the council because he's young. And this one went to television and opposing the university – the new university, King Abdullah University, because the mix between the, you know, the male and the female.

And this man was, you know, had a good lesson from King Abdullah to show you the – (inaudible). Actually, before he arrived in his house, an announcement to the television that he was sacked from office – his post. So we're talking about real struggle between the reformist movement within the structure of power.

So it is not – yeah, sorry.

MR. KOCH: If I can ask you – yes, we're almost perfect discipline here from everybody – (laughter) – just to bring everything to – anyways. We will be continuing this discussion of course in the next panel when we look at a little bit more at sort of the issues of U.S.-Saudi relations also in the context of the Arab Spring.

So, I mean, we've come to the end. We need to keep on to our schedule. I want to thank all three panelists for their excellent interventions and points that were made, and maybe a round of applause for everybody, and then we can – (applause.)

[01:28:00]

(END)