

NATIONAL COUNCIL ON U.S.-ARAB RELATIONS

17TH ANNUAL ARAB-U.S. POLICYMAKERS CONFERENCE

***“TRANSITIONING THE WHITE HOUSE:
CHALLENGES AND OPPORTUNITIES FOR ARAB-U.S. RELATIONS”***

THURSDAY, OCTOBER 30, 2008

**RONALD REAGAN BUILDING & INTERNATIONAL TRADE CENTER
WASHINGTON, D.C.**

10:30-11:00: "ARAB-U.S. RELATIONS IN TRANSITION: VIEWS FROM RIYADH AND WASHINGTON"

Ambassador Ford M. Fraker

Ambassador Walter Cutler

Ambassador Wyche Fowler

Ambassador Robert Jordan

Transcript by Ryan & Associates

[AMBASSADOR FORD M. FRAKER] Good morning. I would like to thank the organizers, John Duke Anthony, everyone involved in setting up this conference, for inviting me. It's a great pleasure to be here this morning it's particularly nice for me to be on a dais with so many former U.S. Ambassadors to Saudi Arabia. As I said to them just a few moments ago, I get to see their pictures every morning when I walk into the Embassy. So it's nice to see some of them in real life.

You know I had dinner two nights ago with Ambassador Al Jubeir and we plotted what the two of us were going to say at this conference so I'm feeling his absence enormously. One of the reasons is I'm going to be denied the pleasure of embarrassing him because I was going to acknowledge the very great work, the very hard work that he has undertaken with regard to a very full agenda that we've been pursuing out there.

When the President came out on his second trip in four months last May we were able to get quite a volume of work completed. We got six agreements signed, three of them were nuclear cooperation related, one was a memorandum of understanding, the other was a nuclear non proliferation agreement and the third one was a nuclear terrorism agreement.

In addition to that we had a critical infrastructure protection program signed. We also had a science and technology agreement signed with the Kingdom, and last but not least we got the five-year reciprocal visa agreement in place as well. None of this would have happened without the very, very hard work of Ambassador Al Jubeir, and I'm very grateful to him for all of that.

As U.S. Ambassador to Saudi Arabia I can talk about the relationship between the United States and Saudi Arabia for many hours, mercifully for all of you I don't have that long but there were a number of points I did want to make. Again the plan was Adel was going to go through all the reasons why the relationship was very much on an upward incline, and I'd like to recognize in addition the hard work that my two predecessors put in, particularly Bob Jordan who was Ambassador immediately after the dark days of 9-11 who kept the relationship together when both countries I think were very shocked about the events. I think we should acknowledge that in addition to the work that my immediate predecessor Jim Oberwetter did at a time when in 2003 and 2004 the security forces were battling extremists in the streets of Riyadh. We had compound bombings, westerners were being targeted, it was a difficult time indeed, and so these two gentlemen deserve a lot of praise for keeping the relationship together and moving forward. And a lot of the recent successes that Ambassador Al Jubeir and I had would not have happened if it hadn't been for their hard work. So I wanted to acknowledge that.

You know Saudi Arabia is probably one of the few good news stories for U.S. foreign policy in the Middle East. I had a light moment with the President when he was out after we'd signed all these agreements, I turned to him and said "Mr. President tell me which of your foreign policy advisors a year ago would have identified Saudi Arabia as one of your major foreign policy successes?" And he looked at me and said, "You know I don't think any of them would have done this a year ago."

And so I think it speaks to what has happened in the Kingdom and the numbers tell the story. If you look at visas for instance, a year ago the NIVs that were issued out of the embassy totaled about 60,000. I just saw the latest figures for fiscal year end as of October. We're over 70,000 visas having been issued. Saudi students a year ago, there were approximately 12-13 thousand students, Saudi students. As of today we have 17000 students from Saudi Arabia. This is contrasted to what it was in 2002; obviously post 9-11 when the number was about two and half thousand Saudi students.

So all those numbers are moving in the right direction. If you look at the business environment we have over 350 projects in the Kingdom involving American companies for a total amount of over \$25 billio. You then look at the mega projects, which involve companies like Chevron, Exxon, Mobil, Dow and you are in the tens of billions of dollars. We have many more American companies coming out to Saudi Arabia; we have many more Saudi delegations traveling to the U.S.

I was able to lead a delegation of Saudi companies to the offshore technology conference in Houston this spring. It was the largest delegation of Saudi companies, 75 companies were represented at that time. So we're encouraging this. The message to the business community is that Saudi Arabia is open for business. The economy is booming. If you're an American company and have international aspirations and you are not looking at the Saudi economy then you're missing an opportunity of a decade, if not the next three decades. And that's a message that we send out, send out loud and clearly.

As many of you know the United States is Saudi Arabia's largest trading partner and has been for the last 50 years. That continues. Foreign direct investment into the Kingdom, the United States comprises between 20 and 25 % of all foreign direct investment in the Kingdom and I was delighted to hear from His Excellency Amr Al Dabbagh who runs SAGIA, the US retained the top position this year. So all of that is also moving in the right direction.

Overall it's as I said very much a good news story. The two areas I really wanted to focus on this morning were the recent terrorist trials that have started in the Kingdom, and I also wanted to talk about the Kings Interfaith Dialogue Initiative. You know counter terrorism, the counter terrorism effort in Saudi Arabia had been a huge success story. And it's one that I think everyone can look to with a lot of pride. Again dark days in 2003 and 2004, compound bombings, the Ministry of Interior was bombed, our own consulate in Jeddah was attacked. We had five consulate employees killed, ten were injured.

Since those days the security services have shown themselves to be very efficient, very focused and extremely effective in combating extremism in the Kingdom. In fact, the statement I make is that Saudi Arabia is the only country in the Middle East that has engaged and defeated Al Qaeda in their home turf. Al Qaeda as an organization does not exist in Saudi Arabia. Yes, there are cells of bad people who would like to do bad things, but there is no command and control capability, no funding capability for them to organize the sort of attacks that we saw in '03 and '04, and that's an enormous success for the security services.

We've played our part in that. It's a very close ongoing relationship. General Hayden at the CIA has publicly stated that the relationship with Saudi Arabia on the counter terrorism front today is the closest and most productive counter terrorism relationship he has in the world.

So that's part of this, part of this good news story. And moving on from that I think everyone should view the terrorist trials that are been taking place as we speak in the Kingdom, as a very important step forward. Many of you would have seen the announcement that 900 terrorists were being put on trial and then a few days after that another 1,200 terrorists were announced going on trial.

The thing to understand about this is that this is an opportunity to actually put extremist ideology on trial. It is important that the public see that the evils of Salafism and Taqfirism is really what we're battling down there so these trials are very, very significant from that standpoint and we should be very supportive of what's going on there.

The second topic that I think we should understand is the King's Interfaith Dialogue Initiative. This is an initiative that he began with a conference in Mecca where he invited all the Islamic elders to discuss interfaith dialogue and put their stamp of approval on his effort which then was carried forth in Madrid and in the coming weeks will actually arrive at the United Nations in New York. And I think what people should understand here is that this is an effort that will strengthen the King's hand and everyone's hand in Saudi Arabia, as he continues to push forward for reform in different areas.

The skeptics, I've heard the skeptics say, "Well if he was serious about this effort he would solve the problems of international, or, sorry religious freedom within the Kingdom first and then he would go outside." Well what we're seeing is that he will be addressing those issues within the Kingdom more effectively and more forcefully with the support and cooperation of the international community which again is why I believe we should be supporting this visibly.

Just to end.. I know Dr. Anthony has a very tight schedule here and keeps us all on track here, but just to end, Saudi Arabia is a good news story. I hope the next Administration that comes in understands that. It's important that the strategic relationship that we have with the Kingdom is well understood at the highest levels. I should that say as a Middle East banker for thirty years when I took this job, I had just assumed that all the important people in Washington understood the importance of the strategic relationship and was shocked to find that that was not always the case in all areas. And the joke in the Embassy is that as U.S Ambassador to Saudi Arabia I should be spending 80% of my time in Washington and 20% of my time in Saudi because the problems in the relationship are in Washington, they're not in Saudi.

So one of my missions as we transition into a new Administration will be to try to ensure that the important policy makers coming in understand truly understand the importance of the relationship. Thank you very much.

[ANTHONY] Thank you, Ambassador Fraker. We will now have comments from three former U.S. Ambassadors to Saudi Arabia, starting from the one who served before those who will

follow him and that is Walt Cutler who was our Ambassador to Saudi Arabia in the 1980's, followed by Wyche Fowler in the 1990's and then in this century Robert Jordan. Walt Cutler

[AMBASSADOR WALTER CUTLER] Thank you, John, and good morning to everybody. I'm a pinch hitter; I learned that an hour ago and so I will be, I'll do my time at bat very briefly. Congratulations John on this conference and the turnout. I've managed to be here through many of them and it just shows the importance of that part of the world.

Yes, I'm speaking first because you mentioned I was there before, but really I'm the old boy on the block and I do go back to the 1980's but happily and luckily I've managed to go back to the Kingdom and to the Gulf and other countries of the Middle East at least once or twice a year. In that case I was both wearing a hat as President of the Meridian International Center and also as an advisor to Trust Company of the West. So I've kept in touch although only in an in and out basis. Just let me make a couple of comments quickly.

I agree, Ford, that it is a good new story and I also say that there is still a way to go. With respect to our bilateral relations, it's something that has to be given a lot of TLC by both sides, all the time. When I.. so my perspective in the last, really 20 years since leaving Saudi Arabia, from the standpoint of a non governmental organization in Washington which does, which is the major partner of the State Department in arranging visits for international visitors invited by our embassies, people who are going to contribute to their own countries in whatever profession and then Meridian sets up their visits here.

And so I've managed to go back to the Kingdom in connection with that as well. What I am seeing and a lot of you I think would share this. When you go back and forth to Saudi Arabia you see the changes taking place. Not overnight, and we've had some really rough times, we all remember 9-11 and the impact of that. But overall every time I go there what I see is a country that is evolving from the standpoint of participation in the governance. Now by that I mean a willingness to speak people's minds. The press, I'm always amazed when I go there and pick up the paper and here's an article that frankly in the 1980's would not have been printed. And a gradual openness and I think that when I say gradual that's key because I think one of the more hopeful developments has been a realization on our part, by our government, but also by our country since 9-11 that look, if change is to be meaningful it can't be done overnight in cultures and societies that don't have a history of democracy as we have.

So my belief is that we've learned and we're learning you don't go over there and preach about our institutions. Its better simply to make ourselves more available and to show people that here we are for better or for worse, and that's what's happening right now. And let me just note that as we speak there are 100 people from 75 countries invited by the State Department and Meridian is arranging their programs. I had lunch with them yesterday. They are here to observe our elections, called I Vote, and that includes a number of people from Arab countries and I sat beside a young Saudi yesterday. He's from the staff of the Majlis Ash Shoura and this is an eye opening experience. Now it's not going to be entirely positive we have problems, we have problems in implementing our own democracy, but it's there.

And also interesting is as we speak there are 44 women from Arab countries invited on a separate program sponsored by the State Department, which Meridian is also doing, and I met with those, my wife and I met with those women last week. Yes there are 13 from Lebanon but there are 7 from Saudi Arabia, and I can tell you, after talking with these 44 women from Arab countries, I was impressed. They come up, shake your hand, here's my business card, and let's get on with it. And it makes you realize what's going on in the Middle East.

Now, it's not going to happen today, it's not going to happen yesterday as most Americans like to see things change, but I think the whole area is changing and I think that our understanding of the need to be in touch and listen, and observe and not necessarily preach. I think that is an encouraging development.

And let me just say John that when it comes to understanding each other I don't think anybody contributed to that more than Prince Turki when he was here. Not only was he talking, not only was he talking to the Harvard's and the Georgetown's but he was going out there to the Kiwanis Clubs of Northern Iowa and so on and for Americans this is great, this is just wonderful, particularly in the wake of 9-11. And let me just say our exchange programs have obviously emphasized the Arab world since 9-11 in terms of priorities. And I have to say this, another positive. And Ford, I'm sure that you would verify this. In the immediate days after 911 some of these groups coming to our country, invited by our own government had a heck of a time at the airports. And of course every time somebody has a problem at an airport, bad news spreads. And this image that don't go to the United States because it's too tough to get in, etc. That I think has changed dramatically. I asked this group that's there today, "Did any of you have any trouble getting into our country?" and they said "No we did not." And that was very, very encouraging and so I think both sides are learning here.

Let me just finish by saying that this is wonderful, these exchanges, but exchanges are two way streets, and I would love to see more Americans going to the Middle East. I know many of you are academics here and there's a very encouraging increase in Arab studies, study of the Arab language, right on. Let's keep on with that, and I know the universities in Saudi Arabia are being built. These are magnificent structures and I would hope that American participation, not just in Saudi Arabia but throughout the Arab world will increase. It's so important to correct these misconceptions and these stereotypes.

In this age of technology where we can talk to each other immediately around the world without seeing each other that's great. I'm still old fashion enough to believe in person-to-person, face-to-face exchanges. So I urge both sides to continue on that road. Thank you.

[AMBASSADOR WYCHE FOWLER] I want to begin by thanking my three colleagues and Dr Anthony for their public service as well as my friend Prince Turki for his public service, both to his country and to the relationship. I agree with Walt, but want to extend that to all of those who have served and nurtured the relationship, historical relationship between our two countries.

I want to take off my ambassadorial hat since I'm a pinch hitter too, for my three or four minutes, and put on my political hat. I served as some of you know in the United States Congress and as the United States Senator from Georgia, and follow up on Doctor Bassam Haddad's

comments about the next President of the United States. Without using this time to be partisan four days or five days before the election I want to suggest to the new President, whoever he may be, that the most important role for him to play as he looks at the Middle East is to recognize the centrality of the Kingdom of Saudi Arabia in all geopolitical, religious issues in that region. There will not be an acceptable solution, acceptable in the Middle East and acceptable to the United States of America in Afghanistan, in Iraq without the centrality of Saudi Arabia in that process.

There will not be an acceptable solution to the issues that we have with the Iranians without the advice if not consent acquiescence of Saudi Arabia to our new policies. And I hope that with a new Administration that the State Department will understand, as we seem to forget but King Abdullah's Interfaith Dialogue Initiative has reminded us that King Abdullah is not only the chief executive, the chief monarch of the Kingdom of Saudi Arabia, his title is Abdullah Custodian of the Two Holy Mosques. And he is looked to by all of Islam not only to protect and revere the Two Holy Mosques in Saudi Arabia but I submit by extension to make sure that Islam's third holiest site in Jerusalem is protected and revered. I am a minority of one, I confess, in saying to our peace negotiators that the question of Jerusalem if it was solved first would do more than anything else to bring the pressures, the groups together to solve the questions of borders, and rights of return and ultimately have a peace treaty.

King Abdullah reminded our Administration when we were about to go to war with Iraq, nobody likes Saddam Hussein, he's a terrible man, he's butcher, he is everything, but you the United States of America please first bring stability to Afghanistan which you started, and secondly, use your influence to get between the Israelis and the Palestinians and bring them to the peace table. Then and only then could we develop a policy that would deal with the Saddam Hussein's of the world. Saudi Arabia is key to the success of the United States foreign policy in the region. I hope and I pray that we have a new President who will consult, who will listen and who will recognize that they are our strongest regional partner, international partner in the Middle East and a wonderful opportunity especially if one or the other is elected, to understand where religion plays the most important role in this and what we can do together to cure it. Thank you very much.

[AMBASSADOR ROBERT JORDAN] John, thank you very much for allowing me to participate in this and it is an honor to be on the podium with such distinguished colleagues. I will tell you every time I visit the embassy even now and I look back at those pictures on the wall of all of us as former Ambassadors I say to myself, "How do these guys not age at all from those pictures?" I'm the only one who looks like he's aged much and it may be because I arrived there three weeks after 9-11 and was probably living my life in dog years for a while in the midst of one crisis after another.

One of my very most esteemed interlocutors in those days was a gentleman who had left public service at that time and gone into the private sector, thankfully briefly. Prince Turki al Faisal who became a good friend and advisor in many ways during those very difficult years in which we were trying to both preserve the relationship and figure out how we jointly were going to approach the problems of the terrorist threat, the unknown situation within the Kingdom.

I certainly echo what Ford Fraker has said, that the Saudis particularly after the bombings in Riyadh in May of 2003 and then later attacks in Jeddah in 2004, stepped up their game in a dramatic way so that we really now have captured or killed virtually all the leadership of Al Qaeda in the Kingdom. Doesn't mean there is not a threat, there of course is. But the vigilance that we have seen, I think, has been dramatic and one that is dramatically underreported in the press in the western world.

When I had agreed to take the job as an Ambassador, which was I guess in the spring and summer in 2001, my dear law partner Jim Baker and I had a conversation and he said, "Bob be sure that you don't develop clientitis." And I think that we as Ambassadors have all felt that warning from time to time. I think its one thing to develop a warm friendship and sense of kindred with the country in which you serve, but you're still there to serve American interests.

One of the great pleasures now being a former Ambassador is that you can now visit the country as I do about six or seven times a year and feel warmly a part of the country, to some degree an honorary citizen in a way that you can't do or can't feel when you are serving in an official capacity.

While we're talking about what might happen in the next administration one piece of advice I would give to whoever the new President is to keep Ambassador Ford Fraker for as long as you can convince him to serve. He has done a marvelous job as our Ambassador there.

I visit with him virtually every time I've been in the Kingdom and the continuation of the creativity, the seriousness with which he has approached his job is remarkable. His sensitivity, his judgment and frankly his long time experience in the Middle East would serve our administration, any administration well in the future.

I will say that one of the things that always troubled me during my tenure as Ambassador was that we never really seemed to have a policy with regard to our relationship with Saudi Arabia. We were always parachuting in Congressmen and Vice Presidents and Cabinet members and they were always asking the Saudis to do this, this or this.

I never perceived that we had an integrated overall policy with respect to the Kingdom. Well at one point in 2003 I was riding in a car in a motorcade with Colin Powell. I turned to him and I said, "Mr. Secretary you know this is troubling that we don't seem to have a policy." And he said, "Well Bob, as a General I have always told my field generals that the job of a field general is to come up with that policy, recommend it to me and then I'll decide whether we should implement it or not." So I said "Great."

So over the next couple of months my staff and I worked feverishly before the end of my tenure to make a recommendation on the idea of a policy with respect to our relationship with Saudi Arabia. We finally came up with a recommendation that was sent to the President and thankfully I think we are now seeing enormous progress in the sense of a Strategic Dialogue, which is now occurring on a regularized basis with the Kingdom.

Twice a year our Secretary of State and their Foreign Minister meet alternately in Washington and then in Riyadh. We have working groups, many of you may well be participating in them, on all of the significant areas of the relationship. This is a structure that I think was missing in the past and will serve us well in the future. But as we've looked toward the future it strikes me that we have many, many reasons to be optimistic.

I was just over there and saw the new King Abdullah Economic City, I saw the new King Abdullah University for Science and Technology, which I think, is becoming operational in March. It's staggering how fast they have been able to move. I went up to the top of the Kingdom Tower in Riyadh and looked out over the new financial district, which is about the size of or larger than our Wall Street. It's going to be a staggering new world in Saudi Arabia, but it's not all bricks and mortar. It's also commitment that King Abdullah has emphasized to not only economic progress, but social progress and religious progress as well.

I think we all would stand well to visit as often as we can, to encourage our Saudi friends to come here as often as they can. And the advice that I give to my American business clients is get your CEOs over there. You can't expect to do business over there by telephone or by email. It's a situation and a culture in which you need to be personally there. You need to show your interest, move your employees there, move their families there.

Finally I would just in closing say that I think it's very important that we develop, as Ambassador Fraker has, a more liberalized program of American dependents back in the Kingdom, in the Embassy.

The Embassy sets the tone for the rest of the business community in the Kingdom. If we have our families there, they'll have their families there. This is the situation that we enjoyed long before 9-11 and it's time, in fact, overdue that we return to that environment. Thank you very much.