

**CENTER FOR
STRATEGIC AND INTERNATIONAL STUDIES**

STATESMEN'S FORUM

“SAUDI-U.S. RELATIONS AND THE WAY AHEAD”

**WITH
PRINCE TURKI AL-FAISAL,
SAUDI ARABIA'S AMBASSADOR TO THE UNITED STATES**

**MODERATOR:
ANTHONY CORDESMAN,
ARLEIGH A. BURKE CHAIR IN STRATEGY, CSIS**

**INTRODUCTION:
JOHN HAMRE, PRESIDENT, CSIS**

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MR. HAMRE: Ladies and gentlemen, thank you very much for coming. I'm delighted to have you here. This is a -- we usually only get audiences of this size when we get Bill Gates and Bono, you know. I mean, these are -- so we clearly have a rock star. Delighted to have you here.

I'm sorry; can -- the microphone, are we okay?

I'm delighted you're all here. My name is John Hamre. I'm president here at CSIS.

I would like to welcome His Royal Highness Prince Turki al-Faisal. He has been a participant in a number of things that we've had privilege to work with through the past years.

And I also want to thank Tony Cordesman for his close working ties with His Royal Highness and helping to facilitate today.

You know, history is often the product of great forces that move through countries and through regions, but sometimes history is genuinely made by single individuals. I think that Prince Turki has been one of those individuals during the last three and four years; has been crucial in shaping history, especially as it relates between our two countries. We've had close ties for 50 years and we've had some awkward moments over the last five, and it's taken someone of genuine stature and depth and sympathy and understanding on both sides to help work through a lot of those issues.

This comes to Prince Turki through deep experience here in this country. He has been a frequent visitor to this country, was a student in this country, a graduate student in this country, and is now back, representing the Kingdom of Saudi Arabia at a very crucial time, when both our countries are rethinking our postures in the world and our relations with each other. This calls for an unusual intellect and a perceptive and wise leader, and I think we have that in Ambassador Turki al-Faisal.

I'm delighted he's here today. I know that you can see the moment and the importance of the issues before us by the number of people who want to hear you today. So we're delighted you're here, and with no further delay, let me turn to you.

And let me introduce to you His Royal Highness Prince Turki al-Faisal, the ambassador from Saudi Arabia. (Applause.)

AMB. AL-FAISAL: (Speaks in Arabic.)

Ladies and gentlemen, Dr. Hamre, thank you very much for those kind words that you introduced me with. I hope I live up to the expectations.

This is the first time that I will speak at CSIS, and CSIS is an incomparable institution worldwide. It proposes ideas and programs, but I think, more importantly, it promotes common sense.

And I must tell you a secret. I spend most of my time here in Washington trying to catch up reading Dr. Anthony Cordesman's prodigious products -- (laughter) -- for their tremendous erudition and clarity. And I am very grateful to him and others who have been very helpful to me in not only informing me and educating me about your country, but also about international affairs.

Recently, ladies and gentlemen, I was reminded of a story about Mark Twain, who attended an event in which one of the speakers was raising money. Twain, deeming the cause to be a worthy one, decided to donate a hundred dollars. And as the speaker droned on, however, Twain decided to cut his contribution in half. With no end in sight, Twain cut his offer again, to \$10. And at last the speaker finished, and the collection basket was passed around. Twain reached in the basket, removed a dollar, and passed it along. (Laughter.)

I hope I don't have the same impact on you, but I'm not looking for a collection. Therefore, I will be sure to make my remarks short and allow for your questions.

Today I was asked to discuss the road ahead for Saudi-U.S. relations. I would say that if this question were posed to me five years ago or even three years ago, I would have a very different answer. But I say to you that today, as a result of serious work on both sides, there are a lot of positive things to say.

Right now, on an official level, relations between our two countries are stronger than they have ever been. Indeed, the terrorists miscalculated in their attempts to drive our nations apart. They only stirred a resolve that has resulted in greater cooperation and coordination between us. This has come to extend far beyond the war on terror.

Most importantly, the U.S. and Saudi Arabia have even come to recognize that our enduring relations are bound by much more than oil. We have a number of important pillars that support our relationship, and I will name six of them: oil, trade, the war on terrorism, Middle East stability, military cooperation, and the mutual fondness that we have for each other. These pillars form our foundation, they define our interaction and provide us with concrete reasons why our nations continue to work together successfully.

But where do we go from here? How do we continue to improve our relationship? There are still many issues left unresolved. There are still sticking points. To address the challenges before us and the challenges ahead, the first thing we have done is to put in place stronger links between our two governments and an institutional framework to better manage the many complex issues we have on our common agenda.

The clearest example of how this is taking shape is the Saudi-U.S. Strategic Dialogue. This new mechanism is intended to institutionalize relations between our countries, to overcome inevitable differences, and to align our resources and capabilities to a greater extent.

The strategic dialogue is progressing through regular meetings between the Saudi foreign minister and the U.S. secretary of State, and the establishment of working groups from both governments to work constructively and comprehensively on a continuous basis on a range of issues of importance to both countries. The first meeting occurred during King Abdullah's visit with President Bush last year in Crawford. And since then, Foreign Minister Saud al-Faisal and Secretary of State Rice have met twice for the strategic dialogue. The gatherings are open to candid discussion in a collegial atmosphere. There are also meetings of the six working groups, which include: Energy; Economic and Financial Affairs; Consular Affairs; Partnership, Education, Exchange, and Human Resources -- that's one committee; Military Affairs; and Counterterrorism.

I shall tell you now how the strategic dialogue works. In the beginning of May, President Bush invited me to a "getting to know you" meeting at the White House. During a thorough review of issues, I made the point to the president that solving the Palestinian problem will allow us to go on to solve the other problems in the area. Three weeks later, the meeting of the strategic dialogue took place. Prince Saud delivered to the president a letter from King Abdullah offering to work with the president in solving the Israeli-Palestinian conflict. The president then instructed Secretary Rice to follow up with Prince Saud on the details.

Alas, the capture of the two Israeli soldiers led to the Israeli invasion and destruction of Lebanon. The king sent Prince Saud back in July to stress to the president the need for an immediate cease-fire, and again to press for a solution to the Israeli-Palestinian problem. Prince Bandar bin Sultan and Adel Jubeir accompanied Prince Saud. And in August they came back to Washington to follow up on these issues. The present activity we see in the Middle East is a direct result of these joint efforts. The next meeting of the strategic dialogue will take place in Riyadh in December.

Another step we are taking to improve relations is to increase our people-to-people contacts. The kingdom is encouraging more delegation of officials and business leaders and citizens to come to the United States to share their views and to learn in kind. We have also expanded a scholarship program to send our students to college abroad. Many of our students will be coming to the United States. More than 10,000 are already studying here. They will not only be receiving a world-class education, they will be forming the next generation of friendships and bonds between Saudis and Americans. They will be the true ambassadors.

And yet another thing we can do is develop better relations between Saudi Arabia and the U.S. Congress. This is a priority for us. My colleagues and I have been meeting with members of Congress. We have been working to answer them their concerns and

questions about the kingdom and expressed to them our concerns and our questions about how view our relationship with the United States.

There are lots of issues on this level, as your representatives in both houses of Congress are some of our toughest critics. But as the saying goes, it takes two to tango. There are also things that the U.S. needs to do such as facilitating visas for Saudi citizens, encouraging U.S. trade delegations to visit the kingdom, and promoting dialogue between intellectuals in both countries.

For a country of such fiscal importance to America, regional and global affairs, we encourage American representatives to come to the kingdom. We want them to see our country. We want them to meet our businessmen. We want them to hear from our citizens, our men, our women and our children. I am confident that if they come to the kingdom, their outlook will change for the positive.

This brings me to my last observation on how we can improve our relationship in the future. I think the type of discourse between the United States and Saudi Arabia needs to change. We don't mind being criticized. There is a well-known saying in Arabic, "Your true friend is one who tells you the truth, rather than one who simply agrees with you," but it is the way in which Americans criticize, whether it is politicians or public figures or thought leaders, that causes us concern.

We often hear political rhetoric and bombast and not constructive commentary. Americans want to see and hear about reform and change in Saudi society and political culture. That is on the agenda, ladies and gentlemen. But we're not going to change just because you tell us to. We are changing and reforming our society because it is the right thing to do for our people and our country, and we will do so in our own way in accordance with our traditions and culture. Making victims leads nowhere. Constructive comments, on the other hand, are more helpful.

We also want to see reform in the United States. Your reform on campaign contributions is essential and needed. Yesterday, not tomorrow. Your policy towards the Arab world must change and be reformed in order to overcome the slump in America's standing in my country and in every other Arab and Muslim country. Why not productively engage us instead of engaging in rhetoric that seems designed to drive us apart? Currently, we find the analysis of Saudi Arabia lacking. It does not have a clear and real understanding of what is going on in the kingdom and appears to be emotionally driven. It needs to be less revealing of political agenda and more of good sense and plain dealing. That would be helpful to both sides.

Your opinions, your thoughts and your analyses are not just considered by Americans. They are considered by Saudis, too. And if we want to improve the state of our relations, it would behoove us to improve every level of our communications. Our interests are too intertwined. If you look at the problems we are facing today: the war on terrorism, Iraq, Iran, Afghanistan, Palestine, Israel, Lebanon, energy, the proliferation of

weapons of mass destruction -- none of these problems can be faced alone. We must work together to find solutions to these challenges.

Our relationship today, ladies and gentlemen, has matured. It was tested by the tragic events of 9/11 and emerged stronger than before. Officials in both countries recognize the need to put in place institutional frameworks to further solidify the relationship. This effort, I am pleased to report, is proceeding very well. And I am confident that the future of our relationship will be, God willing, a bright one.

I hope this has provided you with an idea where the Saudi-U.S. relationship is heading, and I now look forward to hearing your perspectives and would be glad to answer any questions.

Thank you, ladies and gentlemen. (Applause.) Thank you.

MR. CORDESMAN: Thank you very much, Your Highness. I think that it is a tribute to you when we look around to see how many people are here today and how much interest there is in U.S. and Saudi relations.

But since my job is to be a filter, let me also ask all of you to look around and see how many people there are. And as a result, I would ask the following favors of you; that you ask one question, that it does end with a question mark or at least a simple statement, that you wait for the microphone, and that you identify yourself before you ask the question. And with that brief set of -- I won't call them rules, but guidelines, ladies and gentlemen -- (inaudible word).

Q: Prince Turki, thank you for that most illuminating presentation. I simply wanted to ask you what you feel would be the wisest course to cope with the Iranian crisis.

AMB. TURKI AL-FAISAL: Saudi Arabia talks to Iran frequently and frankly, and we exchange views with them on every issue that can come about of interest to both our countries. We've talked about nuclear proliferation. We've talked about influence and interference in Iraq. We've talked about Hezbollah. We've talked about Gulf security. Everything that you can think of, we've talked about. And we hope that by talking to them, that we'll be able to at least open their eyes to what concerns us in the area about the possibilities that may arise from whatever action they may take.

And I think for the United States not to talk to Iran is a mistake. We've found in our experience that when we did not talk to Iran -- our relations were broken for a period of a few years in the '90s -- we had more troubles with each other. But since then, our relationship has improved dramatically and beneficially for both our countries. So we think that negotiation and talking to people is more important than shutting the doors on them.

MR. CORDESMAN: In back there. And again, may I ask -- the lady, please -- you to go to the mike, and please do identify yourself.

Q: Thank you, Your Excellency, for your comments. My name is Pauline Shams and I'm with Freedom House. I wanted to thank you for bringing up the issue of reform. And I would like to applaud Saudi Arabia on its efforts to work towards greater press freedom --

AMB. TURKI AL-FAISAL: That's a welcome development. Thank you.

Q: (Chuckles.) And also, we've seen some openings in the kingdom for -- with regards to women's freedom. So I guess as a human rights organization, we are in Washington, D.C., and in terms of other human rights organizations around the world that are concerned for the situation in Saudi Arabia, we would like to ask you -- we understand your statements today referred to the idea that dictums are not useful. So what would be your suggestions for how we would communicate these? I know Freedom House has put out several reports, including, you know, on a yearly basis we list Saudi Arabia, unfortunately, as one of the countries that are the worst of the worst in civil and human political liberties.

MR. CORDESMAN: Can we get to the question, please?

Q: So what would be your suggestion? Thank you.

AMB. TURKI AL-FAISAL: Well, we've made contact with your organization and we've had meetings with them. And we are developing a relationship of dialogue with Freedom House and other organizations that either knock on our doors or on whose doors we knock.

In our country we have helped establish a government organization that deals with human rights, and it is now being constructed and developed, and hopefully sooner rather than later, will engage with other human rights organizations that are officially based. In my country also, a group of citizens have established a human rights organization, and hopefully it will engage with those human rights organizations that are based more on private and civil and non-governmental groups.

And it is only through talk and dialogue, I believe, that all of us can benefit. We never claimed in Saudi Arabia to have either developed the most perfect society or to have established most perfect political system. And particularly in the last 15 years or so, we've been open to learning from others of their experiences. And in the establishment of whether it is our Majlis Ash Shura, which is the parliament that we have established, or other political institutions, including the municipal elections that we held last year, we invited non-Saudis, whether from government or private non-governmental organizations, to come and talk to us and help us and guides us in how we can go forward on these issues. We have our doors wide open, and we don't mind criticism, as I said.

And Freedom House and others that would like to engage with us, we're more than ready to do that.

MR. CORDESMAN: Let's see, second row.

Q: Martin Walker, UPI. One of the features of the hostilities in Iraq has been the outbreak of sectarian violence between Shi'a and Sunni. Prince Jordan of -- Prince Abdullah of Jordan has talked of the emergence of a Shi'a "crescent" and President Mubarak of Egypt has suggested that, in his view, many Shi'a owe their loyalties to Iran rather more than to their native countries.

Could you give us your view of King Abdullah's remarks and his concerns about the Shi'a "crescent?" And could you also say whether President Mubarak's remarks about Shi'a loyalties in any way could be said to refer to the Shi'ite minorities of Saudi Arabia?

AMB. TURKI AL-FAISAL: I thought I may have heard that question from you on the (McLaughlin ?) report, but not in this setting. The kingdom does not believe that the citizens, whether they're Shi'a or Sunni, of Saudi Arabia owe their allegiance owe their allegiance to anybody else hopefully but their own country. And in Iraq, as you mentioned, the sectarian problem is increasing. But I'm of the view that there will not be a sectarian civil war in Iraq for a simple fact, and that is, most of Iraq, not only in the Arab side of Iraq but also in the north, where majority Kurds live, the links and the interlinks between Shi'a and Sunni go beyond the capability of anybody to drive them apart.

Tribal confederations and families are divided between Sunni and Shi'a. You find a man who's a Sunni maybe married to a woman who is Shi'a, and their children will be divided between Sunni and Shi'a and the reverse is true, and those who think that sectarian conflict in Iraq and think will lead to civil war or the breakdown in Iraq, don't take that into consideration because breaking down Iraq not going to be easy.

How are you going to do it? If you are going to do it on sectarian terms, then in the south of Iraq, there are more than 30 percent Iraqis who are not Shi'a. And in the center of Iraq, in Baghdad itself, there is a majority Shi'a population. In the north there are Shi'as and Sunnis. It's going to be practically impossible to divide Iraq in sectors and -- because that will entail literally not just mass immigration and ethnic and sectarian cleansing but a lot of killing and -- between families and tribal groupings.

So I'm not of the view that there is going to be a sectarian civil war in Iraq. And I think that will be something that we will have to wait and see about.

Now, as far as King Abdullah's views on the Shi'a Crescent, as he called it, they are his views. They are not the views of King Abdullah of Saudi Arabia.

And when I tell you that we talk to the Iranians on issues of mutual importance, one of those issues is Iranian activity in places like Iraq and more recently in their links

with Hezbollah. And as you know, the Organization of Islamic Countries -- of Islamic Conference has invited Iraqi Shi'a and Sunni religious leaders to come to Mecca in Saudi Arabia for a conference on how best to meet this challenge that is facing both the Sunni and the Shi'a in Iraq. And consequently, the kingdom is hosting that conference and supporting it.

Now, we have a significant minority of Shi'a in our country, and historically they have suffered in the kingdom. They've suffered from social and even political alienation and discrimination. But that has been recognized by the leadership, and King Abdullah, even before he became king, has extended his hands to them and brought them more into the fold. And hopefully such an effort will continue. It may take some time, but things like that generally do.

And I am reminded, as a student here 40 years ago, that it was in the middle of the civil rights movement here, at which time people of color -- not just blacks, but all colors -- were striving for achievement of equal rights in America, and this was nearly 200 years after the Constitution was established in America. So issues of social discrimination and social problems take their time. But I think the problem in the kingdom has been recognized and their efforts to resolve it.

MR. CORDESMAN: The lady in the third row.

Q: My name is Nadia Bilbassy with Al-Arabiya Television. As you know, Secretary Rice is in the region. She's meeting today with President Abu Mazen. Not many people expect anything's going to come out of this visit, and many actually think it's a token to win the support of so-called moderate Arab states on the Iran (trial ?). Do you agree with this analysis? And do you honestly believe that this administration is serious about solving the Israeli-Palestinian question, considering what's happening in Iraq, Iran and election in two years?

Thank you.

AMB. TURKI AL-FAISAL: As I said in my talk, we've been talking with this administration more recently since -- a few months. But even going back to the first year of the administration -- if you remember in August 2001, then Crown Prince Abdullah sent a letter to President Bush in which he said that our two countries are coming to a crossroads. We can either go forward together or let us decide now how to go forward separately. And the main issue then was the Middle East problem, and at that time, then Crown Prince Abdullah's view that America and particularly President Bush was not doing enough for the Middle East problem.

And since that time, of course, September 11th came up soon after that and derailed some of the efforts that were being made to bring more American involvement in the Middle East. But recently, as you've seen President Bush talking at the United Nations, the major portion of his speech was about the Middle East. He talked about Iraq, about Iran, about terrorism, about Palestine and he -- in that speech, he

commissioned Secretary Rice to take over -- or rather to continue to promote whatever ideas may come about to resolving the issues in the area.

And we think this effort of Ms. Rice now in her visit to the kingdom and then to Cairo and now to Israel and Palestine is in that framework. And we live in hope. I think the basic fault in international diplomacy towards the Middle East in the past 50 years has been lack of implementation. We've had ideas and proposals and initiatives for 50 years without any concrete implementation, the most recent, of course, being the road map and the Abdullah peace plan.

And we think that this may be a time for the United States to put its foot forward and do what it has been talking about within the framework of the road map. And we remind our American friends that sometimes in smaller countries, including Saudi Arabia, in order to meet the challenges that may arise to a leadership within that country, that leadership may once in a while turn to these opponents or critics of whichever policies, and say, "We're being pushed by this huge bear behind us, and we have to accommodate this push."

And America has not been playing that role for the past two years. So this is what we've been talking with the administration about. And hopefully, Secretary Rice's visit will move the United States more in that direction.

MR. CORDESMAN: There's a gentleman who's been patient standing on the side there.

Q: Thank you. Ian Talley, Dow Jones Newswires. The first pillar of importance in the relationship between the U.S. and Saudi that you mentioned is oil. And Saudi has traditionally shown its leadership in the OPEC. Given that Venezuela and Nigeria have been cutting oil and calling for cuts on the past few days, does this call into question OPEC's reliability as a supplier, and Saudi's leadership of OPEC?

AMB. TURKI AL-FAISAL: You know, that question has been asked since 1969 or '70 when OPEC came about. And every year there's a perennial questioning about OPEC's reliability and Saudi Arabia's leadership. We don't look upon that issue as one of a contest for leadership between Saudi Arabia and Venezuela, Nigeria or other countries.

OPEC, in my view, has been a very successful grouping of countries that have come about, first of all, to protect their interests, but also generally has followed policies that also serve international world's interests in the issue of oil production and oil pricing. And if you remember, since 2002, and perhaps even a year before that, OPEC has met frequently and set price ranges for oil. Now, in 2005 and 2006, the demand for oil has far exceeded OPEC's expectations, and therefore, those price ranges were exceeded by multiples of dollars.

Since then, and since this summer, of course, and during the last month, we've seen the price of oil going down because there is an abundance of production and

countries have better managed to collect more oil for their inventories and to meet their immediate needs. And OPEC will be meeting, I think, within a month or two to review these factors, and we will discuss these things with countries like Venezuela, Nigeria and other players in the oil fields.

What is required -- and this has been a consistent policy of Saudi Arabia -- is for not only producers, but also consumers to come together and reach mutually beneficial agreements; hence Saudi Arabia's call and subsequent establishment of the Energy Forum in Riyadh, which has within its framework about 90 countries that deal with energy, but also not just governments, but oil companies and other institutions. And I see many people here from the oil industry who can perhaps better answer that question than I.

But it is no good to think simply of OPEC by itself. You have to think of OPEC and there are other players outside OPEC who produce a lot of oil, like Russia and Norway and so on. And they have been invited with OPEC in the past and will continue to be invited to look upon this issue as a global issue and not simply one of Saudi Arabia, Venezuela, Nigeria vis-a-vis the United States or other oil consumers.

So OPEC will continue on its course and, hopefully, be helpful in promoting policies that are mutually beneficial for the producers and the consumers. And Saudi Arabia, ever since it was a member of OPEC, has always had in its mind not just the big consumers, like the United States or China now and India and Europe and so on, but equally importantly, if not more importantly, the poorer countries who cannot afford the high prices and whom we and others from OPEC and outside OPEC have had to come to their help in meeting some of the challenges of the price rises in the past.

These are the countries that are most affected when the price of oil goes up to \$70 an hour -- \$70 a barrel. So it is our concern as well in trying to bring down the prices to a reasonable level to meet -- to all of these countries to meet the challenges of these issues.

MR. CORDESMAN: The lady in the front row.

Q: Thank you, Mr. Ambassador. (Name off mike) -- with CNN. If I could take you back to the Israeli-Palestinian issue --

AMB. TURKI AL-FAISAL: Do we have to? (Laughter.)

Q: -- you talked about the U.S. and its lack of implementation or enthusiasm over the last several years, and this trip by Secretary Rice could signify a greater engagement. But we also see, as my colleague pointed out, efforts by Secretary Rice and this administration to bring in, in even greater way, the Arab states and this new bloc of GCC countries and Egypt and Jordan.

Do you think this signifies a recognition by the United States that -- perhaps even more so in the wake of the war with Lebanon -- that it has lost its dominance as the sole peacemaker in the Middle East peace process? And do you see a greater role for

countries like yourself and Arab states, although they've played a consultative role, but a greater mediating role on these issues, not just the Israeli-Palestinian conflict but some of these other issues going forward? Do you see this bloc as something that will have a greater weight? Thank you.

AMB. TURKI AL-FAISAL: As I said in my talk, the -- our view is that there should be reform of U.S. policy towards the Middle East. And this is in light of the fact that all of us must recognize that the U.S. standing in public opinion in our part of the world is at its lowest ever. And therefore something must be done to reverse that issue.

And in our view, the only way you can do that is by solving the problems. And the core problem in the Middle East for the last 50 years has been the Palestinian-Israeli dispute. And you solve that problem and then you can go on and solve other problems in the area.

The GCC plus two, as it's been called in the press, is not a bloc. It's a combination of countries that have similar concerns and whose engagement with the United States has been both beneficial and productive over the years. And therefore it was convenient, since the president designated Secretary Rice to be his "lead man," if you like, between quotation marks, in the area, that she should meet with these countries in that effort. And they talked about all the issues that face us in the Middle East. And hopefully something concrete will come out of it.

But talk is not enough -- something concrete. And our foreign minister yesterday had a press conference with your secretary of State in Jeddah, in which he said that the efforts must now concentrate on achieving results, rather than talking about procedure. We've talked about procedure for 50 years. Now we have to tackle the really hard issues of the Palestinian problem and hopefully resolve it, and then go on to solve the other problems. So this is what we are looking for from the secretary's visit.

MR. CORDESMAN: Let's see, the lady in the front row.

Q: Thank you, Your Majesty, for being here today.

AMB. TURKI AL-FAISAL: Well, thank you for the promotion! (Laughter, applause.)

Q: (Name and affiliation inaudible.) One of the biggest bones of contention in the Middle East is the United States's special relationship with the state of Israel. Would it be possible to improve U.S. standing in the area without compromising that relationship?

AMB. TURKI AL-FAISAL: I think any friend of Israel, particularly the United States, would do Israel a world of good if it convinced it to enter into a peace process with the Palestinians, and something that will inevitably bring an end to all of the things that all of us face in the Middle East, whether it is terrorism, whether it is land grabbing,

whether it is targeted killings, whether it is demolition of homes and uprooting of citizens on both sides.

So, we see no problem in the United States having a special relationship with Israel; rather, we hope that because of that special relationship, that America can do something about convincing Israel to come forward and be more -- how shall I put it? -- more contributive to the peace effort.

MR. CORDESMAN: I'm going to find it difficult to place, but this gentlemen -- yes.

Q: (Off mike.)

MR. CORDESMAN: Yes.

Q: Mr. Ambassador, as you know, in the wake of Hamas's victory, the Quartet of the United States, the European Union, Russia, the U.N., put forward three set of criteria for the -- for talking to Hamas. And I was wondering, A, does Saudi Arabia subscribe to the international community -- the Quartet's view on these three criteria? You say here that you endorse them.

MR. CORDESMAN: A single question has one part. (Laughter.)

Q: Do you endorse it? And would you update the Saudi peace plan, as the rumors are saying that you might be thinking about?

Thank you.

AMB. TURKI AL-FAISAL: Well, first of all, let me say about the peace plan, there is no need to update it because it's been updated every year at every Arab summit, conference, since it was proposed in 2002. And the last conference in Khartoum reiterated that proposal. And at the United Nations recently, all the foreign ministers that represented the Arab countries mentioned the fact that the Arab peace plan is on the table. And hopefully we can get something moving about that.

Hamas and the election of Hamas to the government in Israel -- in Palestine, and the conditions that have been placed on it are an international issue. And there is a mechanism now that was devised by the European Union to get support and aid to the Palestinian people that precludes any possibility of any of that financing or aid going to terrorist activity in either the territories or in the area there, and we subscribe to that mechanism. And as Prince Terhud (sp) said yesterday as well in his press conference, unfortunately the mechanism is not yet working efficiently because there are still monies available to go to the Palestinian people that are still in the banks in Arab countries because of the inability to get that money across through that mechanism to its intended recipients in the West Bank and Gaza that need a great deal of support.

So the kingdom is part and parcel of the international effort not to punish the Palestinian people because they elected Hamas. This is a specific irony, I think, for all of us, that when people exercise their democratic rights as advised and besieged and sometimes even militarily invaded by the United States, that they get a sense, the people finally, that they're being punished for making a choice that does not suit others.

MR. CORDESMAN: In the middle.

Q: Hi. I'm Raphael Danziger from AIPAC, and my question is a follow-up to a question I asked you at the Brookings Institution a few months ago. At that time you stated that, while Saudi Arabia has lifted the secondary and tertiary boycott of Israel, it's still maintaining the primary boycott of Israel. And since that meeting, you met with a U.S. trade representative, and you pledged to her that Saudi Arabia from now on is going to honor all of its commitments under the World Trade Organization.

AMB. TURKI AL-FAISAL: May I ask how you found that out? Do you have any spies with her? (Laughs.)

Q: No. And my question is, since you pledged to her that from now on Saudi Arabia is going to honor its commitments under the World Trade Organization rules and extend most-favored nation treatment to all the members, including Israel, has Saudi Arabia now lifted the primary boycott of Israel? That's the question.

MR. CORDESMAN: Raphael, this is taking on --

AMB. TURKI AL-FAISAL: Well, we're dealing with the trade representatives directly with that.

MR. CORDESMAN: Yes, the gentleman over here.

Q: I don't think, sir, you answered the question.

MR. CORDESMAN: Look, I'm sorry. Let me --

Q: I'll wait for the mike.

MR. CORDESMAN: Okay. What I do want are questions, not follow-ups.

Q: This is a question. Well, this is asking a question again that hasn't been answered. I'm Barry Schweid of Associated Press. The question was -- isn't -- the issue isn't so much how do you get aid to the Palestinian people who are in terrible economic shape; the question is, does Saudi Arabia support the U.S. prerequisites for negotiations that Hamas recognize Israel and disavow violence? Does the kingdom support that? Or perhaps do you consider it an artificial mechanism for avoiding really pulling for the -- pushing for the negotiations?

AMB. TURKI AL-FAISAL: When Hamas was elected a few months ago, a month after that -- or a couple of weeks after that, King Abdullah visited many countries in Asia, and the last visit was in Pakistan, in which a joint communique came out with President Musharraf in which both leaders called for the Palestinian leadership in general to adhere to the commitments of the Palestinian Authority and the road map and the Abdullah Peace Plan. And as such, Hamas obviously was the intended recipient of that call that, in our view, Hamas must recognize the commitments of the PA and the road map and the Abdullah Peace Initiative as a priori to any further steps that may be taken with Hamas.

MR. CORDESMAN: Look, ladies and gentleman, I'm -- look at all the questions, and I apologize for the fact I've had to make choices somewhat at random. And I think we've reached the point where we are on the edge of the last question, but let me go the back, or the middle, and that gentleman there.

Q: Thank you. Jeff Liefer (sp) from The Scowcroft Group. What is the state of security of oil fields in Saudi Arabia from terrorist attack? And what is the kingdom doing to ensure there's security?

AMB. TURKI AL-FAISAL: We're doing whatever is necessary to ensure the security of the oil installations. And as you know, last February I think it was, there was an attack at one of our oil facilities in the eastern province. And subsequent to that, of course, there was a review of all of the steps that had been in place beforehand to see if they could be improved, and we've had not only our own experts looking at that but we've invited expertise from other countries to come and advise us if there are any new things that we can do.

Oil is the basic lifeline for Saudi Arabia, and if we were not able to secure the oil installations, we would not be able to secure our lifeline. And hence, the priority we give to that issue is A-1 in American terms. So it is an issue that we take very seriously, and much, much spending has occurred in providing the know-how and the skills and the training for our people to protect the oil wells.

MR. CORDESMAN: Ladies and gentlemen, I thank it's a real tribute to Prince Turki that so many of you have come today.

AMB. TURKI AL-FAISAL: Thank you.

MR. CORDESMAN: I apologize that we cannot cover the entire Middle East, nor that -- we really did not have time to deal with all of the questions involved.

But John, do you want to offer an official note of thanks and --

MR. HAMRE: I would like to thank His Royal Highness. And this is the holy month of Ramadan. He has now started the beginning of a very long day without food or

water, and I'm going to let him get out of here. And you've all been very kind. Thank you. (Applause.)

AMB. TURKI AL-FAISAL: Thank you very much.

(END)