THE NEW REPUBLIC

POLITICAL REFORM IN SAUDI ARABIA
EXAMINING THE KINGDOM'S POLITICAL FUTURE

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Transcript by:
Federal News Service
Washington, D.C.

MS. : (In progress) – for this discussion of political reform in Saudi Arabia.

This is the first of three such discussions that we'll be having over the next few months, thanks to our sponsor, the Kingdom of Saudi Arabia. We'd like to thank them for making these possible.

We have one panel on November 13th about the roots of terrorism that will also be hosted by our senior editor, Lawrence Kaplan, who is hosting today's discussion, and we have one on December 9th hosted by our editor-in-chief, Marty Peretz, and that will be on U.S./Saudi relations. So we hope you'll come back for those discussions as well. We know they'll all be robust, as Marty said.

Just a word about the format. Lawrence will guide the discussion among the panel participants for probably about an hour, give or take, and then he'll open up the floor to questions for the following half and hour or so. So again, thank you for coming and welcome, and we hope you enjoy today's panel. Thanks.

LAWRENCE KAPLAN: Hi, I'm Lawrence Kaplan, and I'm a senior editor of the New Republic. Thank you again for coming today.

I'm not sure if anyone here today endured the latest episode of K Street, the series on HBO, but I did, and this being a very topical show, the plotline had James Carville ringing his hands over whether to represent the Saudis as a client, and of all the celebrity cameo appearances on the show, not one guest advised him to take the Saudis on. They said this would be very dangerous and he would be representing terrorists. It remains to be seen whether or not he's going to take the Saudis on. But it occurred to me that this pretty much encapsulated public perceptions at the moment of the Saudis.

A poll I saw a few weeks ago – a Time/CNN poll said that three of four Americans don't believe that America can trust the Saudis. There are some policymakers in this administration, in fact, who I know think we invaded the wrong country back in March, and needless to say, we won't be invading Saudi Arabia any time soon, but back there on planet earth, there is talk of pressing the Saudis, however gently, to reform their political system, such as it is, and this in itself is news, I think, because for decades Washington has held something of a tacit bargain with the Saudis. In exchange for basing rights and access to oil, we tended to keep mum about what goes on inside Saudi Arabia's borders.

So just to discuss this timely, important topic, we have with us today a distinguished panel of veteran Saudi watchers and scholars. We have, first, Patrick Clawson, a good friend of mine and deputy director of the Washington Institute for Near East Policy. His previous positions include senior research professor at the Institute for National Strategic Studies of the

National Defense University, and senior economist at the Foreign Policy Research Institute, the World Bank and the IMF. His books include "How to Build a New Iraq After Saddam."

We also have Dr. Fawaz Gerges. Dr. Gerges is the Christian Johnson chair holder of International Affairs and Middle Eastern Studies at Sarah Lawrence College. He has also authored "America and Political Islam: Clash of Cultures or Clash of Interests?" and "The Superpowers and the Middle East: Regional and International Politics."

We also have Dr. Jean-Francois Seznec, who is an adjunct professor at Columbia, the Middle East Institute, and Georgetown University's Center for Contemporary Arab Studies. His books include "WTO and the Perils of Privatization," "A Case Analysis of Saudi Arabia and the Saudi Arabian Military Force Under King Fahd."

Ambassador Chas. Freeman has served as president of the Middle East Policy Council since 1997. He was assistant secretary of Defense for International Security Affairs from 1993 to 1994 during Operations Desert Shield and Desert Storm. Ambassador Freeman served as ambassador to Saudi Arabia.

And I think I'd like to kick off today's discussion by reference to an article in the Washington Post that I hope all of our panelists have seen which talks about Saudi Arabia exporting Wahhabism or Salafism or whatever you would like to call it to the United States, and I think this intersects with the topic we're discussing today; namely, political reform in Saudi Arabia because several American analysts – and we often hear this from pundits, particularly on television – often talk about Saudi Arabia's Wahhabi theoretical base and identify Wahhabism as the most significant impediment to political reform. And I wonder if our panelists would like to address that question. Is all this talk of Wahhabism and Wahhabi ideology – is there anything here, or is this just Americans seizing on to really a topic that doesn't quite define Saudi Arabia's political culture?

(Pause.) Whoever would like to address that – yes?

FAWAZ GERGES: I – we know that in the last few years, Wahhabism has become, I suppose, a code word which – it means so much and yet it really means very little sometimes. And I think while Wahhabism – while it's essential to focus on the alliance between the House of Saud and Wahhabism, I think it's a bit misleading to reduce the social structure of the – Saudi Arabia to that of the alliance Wahhabism and the House of Saud. I think there is more to Saudi Arabia than this particular alliance, and I think if we – if we take a closer look at the establishment of the Kingdom itself, I think the eyes of most Saudis – and I dare to say most Saudis – I think the birth of the Kingdom itself is synonymous with the birth of Islam. I mean, this is the first lesson we need to know about Saudi Arabia. It's not just some alliance between the ruling and the religious establishment.

I think early Islam, I would argue, supplied the ideological foundation for the founding fathers of Saudi Arabia, and I think in many ways it shaped the sensibilities of most Saudi Arabians. And I think, in this particular sense, I think as a result, many and most Saudi believe that that country has a unique role, and this really creates a kind of – what they call a missionary

zeal on the part not just of the ruling and the religious establishment, but I think many Saudis, in order to strut their puritan form of Islam, this early form of Islam that was born and nourished in the Kingdom. And unless we understand how political, social and religious sensibilities are shaped in the Kingdom as a result of their perception of their unique role; that is, Saudi Arabia is synonymous with the birth of Islam, and if we tend to focus on this simplistic notion that there are two basic lay constituencies: the ruling establishment and the Wahhabi conservative establishment, I think we misunderstand the, I think, complex structure of the Kingdom itself; that is, most Saudis tend to share the religious and the ruling establishment's sense of uniqueness about the role and mission of Saudi Arabia in the world and the region as well.

MR. KAPLAN: Patrick, can I get you to add?

PATRICK CLAWSON: Well, I'm certainly not well informed about the religious attitudes of most people in Saudi Arabia, but I would suggest that it certainly has been very useful for the Saudi royal family to emphasize its religious credentials and this religious uniqueness that you talked about, and that that helps to justify their unique role in Saudi society.

And while it may be that many people find the Saudi Arabia is – has a unique place in Islam, that does not necessarily mean that the Saudi royal family is necessarily regarded as being uniquely well qualified to be the ones leading the country. And it would – has been very useful for the Saudi royal family to wrap itself in the banner of this perceived uniqueness, and I think they've been very skillful at doing that.

Indeed – I can't resist saying this – but I think that the – in general, that the Saudi royal family, the Saudi government has been extraordinarily skillful at everything it does. I would just point to this event. I think it's remarkable that the New Republic is putting on an event which is sponsored by the Kingdom of Saudi Arabia. I just ask if the New Republic were interested in holding a seminar in this room on environmental standards for the automobile industry, what the chances that it would be sponsored by General Motors? If the –

MS. : The chances are very good. (Scattered laughter.)

MR. CLAWSON: It's conceivable, but I would say what are the chances that if there are posters all over Georgetown University yesterday announcing this forum, there would be no mention of who was the sponsor. I really don't think that holding an event like this without mentioning its sponsor on the publicity flyers announcing it would have been the norm in most other circumstances, and I think it's quite a remarkable occurrence and reflects how effective the Saudis are at using their resources and at deflecting attention into ways which helps reinforce the royal family's role rather than to help critics of it.

MR. KAPLAN: Ambassador Freeman?

CHAS. W. FREEMAN: There is an Islamic theory of government which quite transcends the particular strains of Islam, and the leader of the country is supposed to be the moral leader of that country and an exemplar of Islamic virtues as well as a secular leader. The criticism of the royal family and of Kind Fahd and the crown prince in Saudi Arabia by Osama

bin Laden starts with the premise that neither of them fulfill this role, that they are not, in fact, the leaders of the Islam ummah, and that they diverge from Islamic norms of behavior, in particular, by their close association historically and at present with the United States. Thus, al Qaeda's principle objective is the overthrow of the monarchy, and its means to accomplish this is the very successful effort it has conducted to bring about an estrangement between the two societies and ultimately a rupture in ties between the two governments.

Unspoken in this morning's Washington Post article, which I think in retrospect will be read 50 years from now as an emblem of American religious bias and persecution of Islam in the United States, what it recounts is every law enforcement agency in the United States running around questioning the adherents to a particular strain of religion. What underlies that is the perception in the United States that Wahhabism equals terrorism. There is, of course, no evidence for that at all. Saudi Arabia is, if anything, less wedded to the vision of Muhammad Abdul Wahhab today than it was 50 years ago, and yet, terrorism – participation of Saudis in terrorism is a very recent phenomenon. So whatever the causes are, they are different.

The article will, however, be believed because, as Lawrence indicated in his introduction, Saudi Arabia has been successfully vilified in the United States. No one earns points by speaking for it, and it is very easy to score political points by saying – by speaking ill of it. This is not surprising; this is a country in which 70 percent of the public appears to believe that Saddam Hussein and Iraqi perpetrated 9/11 on the basis of no evidence whatsoever. A country that has that kind of muddled understanding of the causes of its greatest trauma in recent years is, by definition, incapable of indulging in any kind of productive introspection or examination of the causes of the problems it confronts. And in this connection, I think the current ease with which absolute nonsense is published in the press about Saudi Arabia is emblematic of our times.

A final point, to get back to the question at hand – is the religious establishment in Saudi Arabia – which means the – religious establishment means the adherents of this puritan form of Islam called pejoratively in the West and elsewhere Wahhabism – Salafism is a better term – is this strain of Islam, this establishment an obstacle to reform. The answer is yes because the principal crisis in Saudi Arabia is a fiscal crisis. The state cannot continue to sustain itself without taxes, and the principal issue in reform is the crown prince repeatedly saying to people, we need – no representation without taxation, guys. You want to be – if you want to have a representative form of government, fine; but you will have to pay taxes. Would all present who are in favor of paying taxes please raise their hands? And nobody raises their hands.

One of the reasons they don't is that this particular religious establishment in Saudi Arabia condemns taxes as against the will of God. Now this was a line that was unsuccessfully pursued by the religious right in this country prior to the adoption of the income tax. It's alive and well in Saudi Arabia, and it is a fundamental obstacle to political transformation that I think must occur.

JEAN-FRANCOIS SEZNEC: Well, I sort of agree with the three previous speakers in many ways, but I try to see things from a slightly different angle. I totally agree with Fawaz that there is an absolutely massive underlay of religion in Saudi Arabia, and one cannot ever escape it, and that everybody – everyone in Saudi Arabia agrees that religion is the most important

thing. And I also would say that most people in Saudi Arabia would also agree that the basic principles that Wahhab had written in the 18th century – early 18th century are probably valid.

However, over that, you have an enormous distinction, sort of a split in the middle in the country. On the one side, you have the old conservatives who have a lot of power because of their former alliance with the royal family, which we call here – they call themselves the muwahhidun, the Unitarians; here we call them the Wahhabis. They are the – their beliefs are very much involved in the ideas of the Salafis and of Kutub (sp) in Egypt early this century, but these people have a lot of power, and they have their own private militia, which is called the mutawa, mutawa'een, and they carry their own policies.

Next to that, you have the other half of the country, which is made of liberals, and who actually view themselves as being just as religious as the old religious people. And if you like a comparison, that's easy as far as I'm concerned because it makes – it's closer to my experience of things, but if one would call Abdul Wahhab John Calvin – and frankly, the writings are very similar – one would say that, you know, you have some Calvinists that are arch-conservative, you know, very old conservative Christians here; on the other side you have Calvinists who are also the most liberal people in this country. And you have a very similar issue in Saudi Arabia. And today, the political reforms are being pushed by the more liberal side who view themselves as fully qualified as religious persons and believers.

The problem we have at this point in Saudi Arabia is that there is an overlay over this battle between the conservatives and the liberals, and the overlay is the battle within the royal family for succession. And the liberals are sort of using Abdullah as sort of – trying to convince Abdullah, who is after all the crown prince and the man more or less in power in this time – they are trying to convince him to go their way and liberalize, provide elections. There was a letter published this week in Saudi Arabia, delivered to the crown prince this week which – I saw a translation of that letter last night, and this letter demands that their system be reformed today, that the elections be held for the – (unintelligible) -- that women be considered as equal and take their place in society, and mostly, that the justice be equal for all, that there be an independence for the judiciary, which in the Saudi Arabia, basically, is a code word for control the royal family, please. This letter was given to the crown and signed by hundreds of people – men and women, which is I think a first in the Kingdom.

On the other hand, you have – and it's interesting that these people are using Abdullah as their support because, when I lived in Saudi Arabia, Abdullah was considered to be the most conservative of all the princes and had the support of the Wahhabi establishment and now it's the other way around.

The other group is now seeing Prince Naif bin Abdul Aziz as their main support, and Naif has been using his – throwing his weight around to control the liberals and kick the liberal writers in the press out of their jobs. It's interesting knowing that the press is controlled – most of the press – a good bit of the press is controlled by Prince Salman, who is his full brother, so you can see that there is very much of a family feud there, which is really slowing down reforms because as long as Abdullah is not king, there will be no reforms in the Kingdom. So the battle really is not so much on Wahhabism or conservatism in the country. Everybody agrees, I think,

that the fundamentals of Islam as reformed by Abdul Wahhab are valid, but everybody has different views on how to do it, and that sounds like any proper debate in any proper society.

MR. GERGES: I think, while it's very legitimate to point out to the ruling establishment's use of religion as a legitimizing device – and this is, I suppose, an established fact: the House of Saud has used religion as a legitimizing device for the last – for more than a hundred years in order to maintain domestic peace at home and in order to maintain its particular role in the broader, larger world. And also, I think it's legitimate to point out that Saudi Arabia has contributed millions of dollars if not hundred millions of dollars to various religious causes and groups, as the article today in The Washington Post – this is legitimate, and I think I have done considerable research on Islamist movements, both mainstream and militant Islamist movements, and I'm really – I was astonished by the extent of which that the links between the various groups – Islamist groups and the Kingdom itself, in terms of financial, in terms of – almost every one I interviewed basically either worked or traveled or received aid from the Kingdom. I mean, the Kingdom – 80 percent of books published in Egypt are religious books, and almost 80 percent of the 80 percent of the books are basically supported and financed by Saudi Arabia. This is point one.

Point two, but it's very misleading and I think it's very false and dangerous to argue, on the other hand, that the royal family consciously supports or harbors or finances terrorism. And this is really the issue at hand here because I suppose neither common sense, I would argue, nor the established facts tend to support this particular ambitious thesis that the royal family has an interest in either financing or supporting terrorism. Yet, the truth is some American critics, some conservative hardliners, have already found the royal family guilty without even a proper and fair trial.

Some even – some commentators have basically advocated a major shift in American foreign policy towards the Kingdom, a kingdom that has served as a major dependency of the United States for the last 55 years. And some even went further, and they have argued that in fact toppling the royal family would serve American interests. And as a student, again, of Arab and Muslim politics and American foreign policy, I'm really astonished by the meeting of the minds on the part – on Saudi Arabia on the part of the Arab left and the third-world left and militant Islamists on the one hand, and conservative hardliners on the other; that those groups – the left, militant Islamism, and certain conservative hardliners – prefer to be rid of the royal family, of course, for different reasons.

On the one hand, if you read carefully what the leftists and militant Islamists in the Arab world say, the royal family is a traitor to the faith, the royal family has sold out, the royal family basically serves as a front for American capitalism and globalization, and American foreign policy. And this logic goes as toppling the royal family would present the first nail in the coffin of the American empire in the Muslim world, and it's the first step on the road – on the path to independence. And watch carefully what conservative hardliners say about the royal family: a traitor, a client which stabbed its master in the back. And thus, the logic goes again as the logic in the Arab and the third world, if you topple the royal family, then it would represent the first nail in the coffin of the extremism, and of course it would lay the foundation of democracy in the broader and larger Muslim world.

And yet, what this particular discourse and rhetoric does not take into account, that it's bin Ladenism and Khomenism, not Jeffersonian democracy or any sort of social utopia, would inherit the royal family's throne as a result of any sudden and major collapse in the Kingdom. So while it's crucial and it's legitimate to criticize the royal family for too much dependence on Islamic symbol, for using religion and abusing religion sometimes as a legitimizing device, and spending hundreds of millions on Islamist causes that have come to haunt the Kingdom itself, I think it's highly illegitimate and dangerous to imply that the royal family finances or harbors or supports terrorism.

MR. CLAWSON: The ways in which the royal family encourages radical extremism – religious radical extremism directed against the West are primarily by encouraging those radical extremists at home and then discouraging them from attacking the regime at home, but attacking instead targets elsewhere, which ends up being us. And you – Jean-Francois made reference to the letter from September 24th, and I thought it had quite an interesting analysis of the situation. If I may just read to you some parts of this letter from these several hundred Saudi intellectuals and prominent figures:

"Our country is witnessing increasing violent acts that use weapons and bloodshed as a means to prove its existence and impose its points of view. We are all invited to take our responsibility and review our steps, and admit that being late in adopting radical reforms and ignoring popular participation in decision-making have been the main reasons that helped the fact that our country reached this dangerous turn. Confronting terrorism cannot only be done through security means and solutions, but through a thorough diagnosis of the political, social, economic, and cultural factors that led to it."

Then they go on to say we all see that eliminating all aspects of administrative corruption and mismanagement of public funds, widening the productive bases, applying the principle of fair distribution of wealth, enabling women to practice their social and economic duties can only come through implementing the general reform demands. "We emphasize the need for the political leadership to announce an encompassing national initiative that has long been awaited for these goals." In other words, it's the lack of reform at home which these people are decrying, which explains the turn of so many young Saudis towards these radical perspectives.

It's the lack of opportunities for Saudi young men that has led to the massive unemployment of the university-educated young in Saudi Arabia, unable to marry because they're unable to get jobs and move out of their homes. These people are discontent, and the response of the Saudi regime to these problems has been to encourage increasing religiosity, and then to encourage the anger of these religious young men at their unsatisfactory lives toward – directing that anger towards overseas goals, and that ends up affecting us in the United States disproportionately. And this is formula which led to September 11th, the formula which the Saudi government, rather than confronting its – the social and economic problems identified in this letter, instead encourages increased religiosity, but then insists that this religious anger not be directed to the problems at home, but instead be directed abroad.

Now, is that the Saudi government financing terrorism? Well, it's not like that they're passing money to those who are going to be bombing targets in the United States, but they're certainly creating the right conditions for that to happen by not addressing the social problems of their country, and by encouraging people to take an approach to how they can make their life better which ends up turning towards radicalism, which is then directed against us.

But I would quite agree with Fawaz that the solution to this problem is not some overthrow of the Saudi regime, which, as he quite properly says, would only empower the people who are now organized to replace the Saudi regime, who are the religious extremists. The solution instead is to encourage reform, and in by encouraging reform and by opening up the Saudi system, we undoubtedly would strengthen the Saudi royal family. And in that way, I think that our interests in countering terrorism are entirely compatible with the interests of the Saudi royal family – (audio break, tape change) -- manage, by opening up those economies, they've led to sounder economic growth that made those regimes stronger. And I think a similar thing can happen on the political front, and that would be in our interest to encourage stable change and not dramatic change. The kind of revolutions that led to the overthrow of a monarchy in Iraq or in Iran or in fact in Egypt did not improve the well-being of their people. They would have done better to have had reforms which kept in place those monarchical systems and which led to an opening of the systems.

MR. FREEMAN: There are seven million guest workers in Saudi Arabia. There are seven million guest workers in Saudi Arabia. There is no lack of jobs for Saudis if Saudis want them. Saudis have instead chosen to finesse the issue by continuing to employ foreigners to do things they would prefer not to do and by pretending that they can continue indefinitely to sustain the world's most generous welfare state with 78 percent of government revenue coming from oil, a commodity that has fluctuated over the past five years in price, between $7 and $35 a barrel. This is a prescription. This sort of roller coaster, in the fiscal base of the state, is a prescription for catastrophe. And this is the fundamental issue confronting Saudis.

I don't know what country actually Patrick is talking about when he speaks of the encouragement of religiosity. I believe that would have described Saudi Arabia in the immediate wake of the overthrow of the Shah of Iran, when King Fahd instituted a wide range of religious universities and essentially ceded authority over the educational system to the religious establishment. But over the past two years, that curriculum has been removed from the control of the religious establishment – not just for women, but for men as well – reviewed by the state, and rewritten to eliminate the more offensive portions of its religious content. The crown prince has vigorously campaigned and made numerous statements against extremism in the religious establishment, and some of the extremists are in jail. So whatever might have happened at the beginning of the '80s in a defensive reaction to the Shah of Iran's failed revolution from the top is not descriptive of what is happening now.

As for the relationship of the royal family to terrorism, I mean, first of all, as several pointed out, it beggars the imagination to consider that the Saudi royal family, which is not notably kind to dissidents, would suddenly look the other way and facilitate the growth of the only externally based terrorist movement that is effective in conducting terrorist operations in Saudi Arabia and against members of the royal family. It just doesn't make sense. And in fact, I

think a better analogy to the relationship of Saudi Arabian society to the financing both of religious proselytizers abroad and terrorists. It is our own – several examples from our own country.

I can remember as a young man in New England frequent occasions in which the IRA collected outside Catholic churches for the IRA, which was at the time blowing up buildings in London, which drew protest from the British government and no action whatsoever from the American political establishment, which instead pandered to this extremist side of Irish Catholicism.

In the 1980s in Mozambique, a horrible movement, sponsored originally by Ian Smith of Rhodesia and adopted by South African intelligence, called Renamo, which murdered or maimed between a half a million and a million people in Mozambique before it finally was brought into a peace process and participated in government. It was supported by the American Christian right-wing. I know for a fact because I was there. President Reagan called some of the very leaders who are now vociferous against Islam and asked them to cease and desist funneling funds to Renamo, and they declined on the grounds that Renamo, in their view, was religously proper. And as recently as a few weeks ago, when Charles Taylor of Liberia was being overthrown by action of the international community, spearheaded by the United States, he was the recipient of funding from Pat Robertson.

So there is something even in a society with a – a religious society like the United States with a secular government, or in a religious society with a religious government, as in Saudi Arabia, there is apparently some difficulty in drawing the distinctions that are now so facilely drawn in our press. I don't believe that the record will show or that anyone can prove complicity of the royal family, either directly or indirectly, in the sponsoring of the intellectual climate for terrorism or in the funding of it. And I think if we pursue this will-o'-the-wisp, we will end up somewhere in the middle of the desert having lost our way.

MR. KAPLAN: Can I ask a question? Would you extend that also to the funding of Hamas and Islamic Jihad? Since we have members of the royal family on record, proudly proclaiming that they've donated tens of millions of dollars to those organizations.

MR. FREEMAN: I think there has been a broad international disagreement about Hamas and its role as resistance to occupation, its role as a political movement, and as a social welfare movement on the one hand, and its terrorist actions on the other. And I know that it took years of diplomatic discussion with the Europeans to bring them to agree with us that Hamas is a terrorist organization. I do not believe that if you were to ask – if you were to conduct a poll on this in the world at large that you would find most people agreeing with us on that. I happen to believe Hamas is a terrorist organization. I don't think most Saudis probably agree, even though their government has agreed.

MR. SEZNEC: This – we're on the slippery slope of going into the Palestinian-Israeli issues here, and that's going to take us pretty far. We'll get into it when we're on the other, on talking about Saudi Arabia and political reform. Sooner or later, we're going to hit this wall. So perhaps we should go on it now, but I have other things I wanted to say first, so – but I think it's

very difficult to defend the royal family. And I find myself having criticized and in fact taken to court some members of the royal families in Riyadh because I really didn't like their business attitudes and whatnot, and being threatened by them personally. And I find myself defending the royal family today, so it's really very painful. But nevertheless, I cannot see that -- as Ambassador Freeman mentioned, I cannot really see the logic of the royal family actively supporting terrorism. However, I'm not quite sure I agree with him altogether, because I think in some ways, by sheer benign neglect, I think the royal family has perhaps encouraged the more conservative Wahabi movements, which in turns, the young members of those movements little by little have hijacked because seeing no change in the world and being very upset with the policies of the United States and the alliance between the Saudis and the Saudi family and the United States – have seen violence as their only way to express their opinions.

So I think in a sense, many members of the royal family have given substantial sums of money to various charities, most of the time not knowing that these charities were actually going to go to buy box cutters. But they have given money to some of these charities to build mosques and schools and whatnot. And what happens post facto, they're not necessarily responsible for it, but to a certain extent, they're also captain of the ship, and they have an indirect, in my view, responsibility for some of the events.

Where I would agree also with Ambassador Freeman very much is that the biggest problem of Saudi Arabia today is not so much the royal family. The biggest problem of Saudi Arabia today is unemployment of the young Saudis. Eighteen percent – and I'm just talking about the males here – 18 percent of the males between 20 and 25 are unemployed, and this is really a time bomb. It's a lost generation in Saudi, because by the time the reforms take place, the educational system changes – and it is changing – but by the time it takes effect, it's going to take almost a generation. This is a lost generation, and we're going to have to live with it. I'm not sure how they can handle it. It's a very tricky situation. The issue is even worse for young females who are mostly educated and who are looking for jobs, and their unemployment I think – and that's a Saudi figure, given by the Minister of Economy – I think their – of the women who seek work, and that's not many – of the women who seek work, about 25 percent or 30 percent, I forgot, are unemployed.

So I think that's the main issue, and I think that's the key issue which is being addressed by a lot of the dissidents today. And they're looking to the royal family to impose the reforms on the right – I shouldn't say the right -- but on the more conservative groups, and the more conservative groups are also looking to the royal family to protect them against those awful liberals who want women to drive and to work, et cetera, et cetera. So the problem we have today is that we have a royal family which is very large, which is of course in many, many cases extremely corrupt, who doesn't work, who really sees itself above the law, and this has to be controlled by whoever becomes king and has to be very strong to control not so much the population but his own family. Because once he controls his own family, then he controls his own family, yes. Then he can get the country moving and the reforms taking place.

MR. FREEMAN: Just a very quick point, a couple of points on to – first, I agree with Jean-Francois that – in fact, I would go farther. I think in the 1980s, it was more than benign neglect that led to the growth of the extreme religious views and practices in Saudi Arabia. It

was a direct reaction to two things: first, the fall of the Shah, and second, the U.S.-Saudi joint enterprise in Afghanistan, which used religion as the banner with which to defeat godless communism and Soviet imperialism successfully, ultimately bringing down the Soviet Union. So it was more than benign neglect. There was active encouragement of religious involvement in politics, and no good deed goes unpunished.

Second point is that the – with the end of the war in Afghanistan and the invasion of Kuwait by Iraq, Saudi Arabia discovered that many of those conservatives or reactionaries in the Islamic world whom they had considered their friends were in fact not friends at all. And these people, like Yasser Arafat sided with Saddam Hussein, like King Hussein sided with Saddam Hussein, and this was a shock to the Saudi establishment, and it led to a major rethinking of the encouragement of religious donations abroad.

Ironically, to return to Hamas, Hamas was also one of the instigators of controls on religious donations, because Hamas was started by Shin Beth, the Israeli counterintelligence service, as a sort of firebreak against the secular PLO. And the Saudis did not favor their citizens giving money to what they saw initially as an Israeli front group, so they put on controls. Later of course, Hamas became a monster in its own right and metamorphosed into what it is today.

Last point – the position of the royal family in Saudi society is I think a major problem. The family is now too large. Its senior members are engaged in gridlock rather than constructive discussion and resolution of issues. One of the questions that any political reform in Saudi Arabia must address is at one point, even though you are a descendent of Abd al-Aziz, you cease to be entitled to state subsidies and privileges of being called Your Royal Highness.

MR. GERGES: I think a comparative historical perspective is very crucial here. Saudi Arabia not the only Arab and Muslim state to use and abuse religion for legitimizing reasons and purposes. Most Arab states, most Muslim states in moments of duress do so. Let's remember the late president Anwar Sadat flirted with Islam against the socialists and the Marxists and the – (unintelligible). Even Saddam Hussein used also – used religion in order to at least pacify the population. Even today, the Egyptian government tries to compete with the religious establishment in order to gain legitimacy at home.

And further, when we say that Saudi Arabia has used Islam as a legitimizing device, let's remember that the United States, that we – I mean, from the late 1950s up 'til I would argue the early 1990s, we have used Islam as a counter-force to socialist and Marxist influences. I remember in 1958, in a major national security council, and this is the classified documents after the travels in Lebanon and Jordan and the Iraqi revolution, President Eisenhower looked to his advisers and said, for God's sake, why can't we create an Islamic alliance as a counter to this so-called bloody Marxism, an – (unintelligible) – alliance. And we know the record of the United States after the Soviet invasion in Afghanistan and what we did in Afghanistan. So in this particular sense, not just Saudi Arabia and Egypt and Pakistan, we in the United States also played a decisive role in using religion and using Islam as a counter to Marxism and socialism and pan-nationalist influences in the region.

To go back, I think it seems to me – and please correct me if I'm wrong – we are moving in a particular direction. I think a consensus seems to be emerging so far, and I might be mistaken. I think it seems to me that the socioeconomic context in Saudi Arabia, rather than the religious question, seems to be the dominating issue in the country itself. And I think it's this socioeconomic context that really nourishes extremism and sustains extremism. And I think I agree very much with Patrick when he said that the only really way out of this particular deadly embrace is to basically to begin the process of arduous national institution building and gradual opening up of the political system and integrating the rising social classes into the political sphere.

When we say that somehow unemployment is very high among the Saudi Arabian youth, let's flesh out what we mean by that. Jean-Francois mentioned the figure of 18 percent. The figures I have by the World Bank and the United Nations range between 25 percent and 30 percent unemployment among the youth – Iraqi youth -- which constitute more than 60 percent of Saudi Arabian population under the ages of 25 years old. And here you have between 25 percent and 30 burden, this particular constituency. This is why – and I think Patrick is absolutely correct – this particular constituency tends to be receptive to the religious hardliner's inflammatory rhetoric, and they become, you might say, willing recruits for various particular causes.

And now just unemployment – I mean, when we talk about unemployment between 25 percent and 35 percent, let's talk about exploiting the population rate. I mean, the Saudi Arabian population is doubling every 20 years. I mean, just some figures – the population grew from 9.9 million in 1981 to 21.4 million in 2001 and increased 54 percent, the largest in the world, more than 4.6, according to the United Nations. And of course, the population is estimated to double to – will double to 40 million people in 2020.

So you have exploding population, coupled with diminishing economic opportunities. The gulf between the haves and the have-nots of course is widening tremendously – huge, royal – I mean – army. And of course, you have the gross domestic product that is the GDP. It grew at an average of 1.25 percent between 1981 and 2001, while the average GDP per capita shrank roughly 2.5 percent per year. In fact, the per capita GDP was worse in 1999 than it was in 1965 before the massive rise in oil revenue. And I think this particular point – so you have huge increase in population, the population doubling in 20 years. You have diminishing socioeconomic opportunities for Saudi Arabian youth that is between the ages of 18 and 25 years old. It represents more than 60 percent of the population. And of course, one of the major manifestations is poverty – poverty and diminishing quality of life.

And on the other hand, you have of course the royal household, which is rampant corruption on huge scales. At least, that's the perception among Saudi Arabia. So you have a major, major social context not just for extremism but also for a major social revolution. The question is how can – what will the royal family do in the meantime? Not only to reduce the degree of social upheaval in the country, but also to meet the demands and the expectations of the rising population, particularly the youth.

MR. CLAWSON: I think that Fawaz just laid out very nicely the principle problems facing Saudi society, and those are local problems. They're not the foreign policy problems that Ambassador Freeman was citing as the key issues in deciding the Saudi royal family's policies about the financing of terrorism. Instead, the Saudi royal family's policies have been primarily based upon the local situation, as most politicians' decisions are. And primarily, what the Saudi royal family has been doing in thinking about its policy towards the religious establishment and its relationship with the religious establishment has been concentrating on the domestic problems that we have just heard about.

And it is in that context that no, Ambassador Freeman, it doesn't beg of imagination. It makes excellent sense that the Saudi royal family would encourage those who have radical views to take their radicalism and express it abroad. That is the policy which the Saudi royal family has been adopting for many years now. It's nicely written up in Foreign Affairs by Martin Indyk how the U.S. government thought that that was inappropriate, that it was all right to have a – (inaudible) – the pressures building up in Saudi society relieved by seeing extremism turned against foreign targets instead of domestic targets, and that the U.S. could pay the price of doing that.

And no, it doesn't beggar the imagination that the Saudis would encourage this. It makes excellent sense that, faced with young men who do not have any way of improving their lives at home and a regime which is not going to be responsive to their demands, that the regime would encourage people to instead take their activism abroad and direct it at foreign targets. And that is precisely what we saw on September 11th. And no, this is not a policy of the 1980s. It's a policy of the 1990s, and it's a policy which to a disturbing extent continues today.

And it's only because of the blow back that Saudi Arabia itself has begun to suffer and because of the kind of attacks that we saw in Riyadh earlier this year, in particular, that the Saudi regime is suddenly paying more attention to this problem. And it's the forces of liberalism, like those people who circulated this letter that I was reading earlier from who are the ones who are most concerned about this kind of a problem, because they realize that what's happened is that these young disaffected have turned towards an extremist ideology, which would be profoundly negative for Saudi Arabia, were they to direct their attentions at home instead of abroad.

And I am pleased that there are some indications that the Saudis are taking this problem more seriously now, but I'm afraid that in general, the attitude of the Saudi government by this has been to deploy people to deny that there's a problem, insist that the problem's in the past and everything's been fixed. Well, that has been a strategy that the Saudis have used for a long time when confronted with social problems, which is to say, recognize the use to exist, insist that they have addressed, and that all is now well. That – unfortunately, the problems tend to grow more quickly than the solutions tend to grow, and that's why the situation in Saudi Arabia, whether it be the economic situation we've heard about or the political situation continue to deteriorate.

And it's not just that the economic situation is in worse off than it was some 30 years ago. So too the political situation is worse off, with larger extremist groups, with more bitter division within the royal family and more policy stasis at home, as we see in-fighting among increasingly elderly children of the kingdom's founders and little policy direction being taken.

And I would hope that in fact the Saudi needs to follow the kind of example that the United States set with regard to the extremist movements that Ambassador Freeman cited, because we threw in jail the people who were financing the IRA. And we adopted a whole series of legal reforms and set up a whole series of programs and activities at the FBI and local police agencies around the country to throw those people into jail. And it would be wonderful if we see more of that going on in Saudi Arabia. That is to say, this being done through a process of rule of law openly and acknowledged, rather than being done quietly in the night, without there being laws enacted, which are then implemented in a fair and equal way.

MR. KAPLAN: Patrick and Fawaz, for all of your disagreements, it occurs to me that you both cast Saudi politics as something of a zero-sum game. That is, if we don't like the Saudi royal family, and to those in the United States who are saying maybe they should step aside, wait 'til we see the alternative. That is, it's either the Saudis – the Saudi royal family or the bin Ladens.

MR. CLAWSON: Or slow reform.

MR. KAPLAN: Well, that's my question.

MR. CLAWSON: I think all four of us are in favor of slow reform – slow reform politically, slow reform economically. I think we're all intensely aware of the dangers of too rapid reform, and I think we are all arguing that we have to push the Saudis for slow reform.

MR. KAPLAN: Well, let me ask you about those dangers because of course, there are cliches among Saudi critics, but surely – and I don't know – I don't you would call this a cliché – but it's certainly a refrain we hear a lot from defenders of the royal family and from the royal family itself, if I'm not mistaken. I remember writing an article a few years ago, and Abdullah sent President Bush a letter. I think this was immediately in the aftermath of September 11th. And he said, and I'm paraphrasing, essentially, please, please take care of the Israeli-Palestinian dispute, or else I will suffer the same fate as the Shah of Iran.

And I guess my question is – and here I'm not talking about slow reform. If there were more than pressure for slow reform, if there was concerted American pressure that went beyond pressure for political reform, is it really true that these are the two options? And I guess my question is, where exactly are the liberals in Saudi Arabia? How much of a force are they? Can we quantify them? Because I do certainly recall during the Cold War, I can remember people saying similar things about countries where we were worried about communists taking over in the Philippines and elsewhere, that it was either you deal with the government in power or you're going to be stuck with a much worse alternative. And I guess my question is where do the liberals come into this process, and what are the mechanisms to empower Saudi liberals?

MR. CLAWSON: Free press. It'd be great if we saw some of the tentative steps over the last year to allow some open discussion of the press, which have been slapped down in the hole. If we see more of a free press, we see more of these kinds of petitions where people feel free to discuss these issues. The Shura, which has basically been a failure – if we see it going in the

directions of the reforms that we have seen in the GCC countries – I mean, look. (Inaudible) – in Kuwait's no great – I'm not going to say it controls political life in Kuwait, but it would be a great step forward if we saw Saudi Arabia move towards what Abdullah's talked about local elections.

If we saw some of the Shura members as proposed here being elected – this would allow liberals to organize, to allow themselves to express their viewpoints to get their ideas out. And the moment the liberals are disorganized, and so therefore they wouldn't be in a position to be contenders for taking power, if there were to be overly dramatic change, we'd see the same kind of phenomena that we saw in, let's say, Uzbekistan or Turkmenistan or in Belarus, Russia. And the only people who are organized now are the old elite and some of the worst radical elements.

So if you allow a freer press and move in that direction, you allow a parliament to allow local elections and local politics, and you allow freer debate at the universities. Then you can see the liberals begin to organize and have more of a say in society. And then I think also you'll see a lot of the Islamists take more reasonable positions. I mean, you've got a fascinating debate going on in Kuwait right now about the question of women's vote, where the Islamist members from the Shi'a camp were all in favor of it. They think it's a good idea. Well, you can form interesting, you know, alliances in various different ways and get these people to start playing in politics. That would be wonderful.

MR. KAPLAN: Jean and then Fawaz?

MR. SEZNEC: (In progress) -- Kingdom are religious groups, and they are the religious groups from the more conservative side from the old Wahhabi establishment. They have free reign on television and whatnot. They can raise as much funds in cash as they want in the mosques. The only non-religious groups are the chambers of commerce. And since February the journalists have had the right to meet together as journalists – not exactly a journalists' union.

The free press would be absolutely delightful – right now the press groups are controlled by members of the royal family, so the press groups are being used for their own purpose today. Definitely the elections have been talked about. There has been talk of women being represented on the Majlis al Shoura. I think the Majlis al Shoura is increasing in power very substantially. It has actually drafted the new securities law which is being implemented in the Kingdom today, and that was a big, big change because a lot of this law was written against the wishes of the civil service. So the Majlis al Shoura is increasing; however, it's not being elected. And if it were elected today, then of course, because of the lack of civil society I just mentioned, then you would have a situation where basically the extremists would be in charge.

So we have to have a system more like the Bahraini system where you have an elected group of people who have the right to speak their mind but who are controlled by a senate, if you like, in Bahrain, which is named by the king in Bahrain, and that senate is extremely liberal in terms of leaning while the house, if you like, is extremely conservative. So I think you would have to have a system like this in Saudi Arabia. And I think if the crown prince is given a chance to become king – it's a big if – then I think that's exactly the kind of system you will see in Saudi Arabia. The problem is the clock is ticking and nothing is happening. And it's true, I

think, as Ambassador Freeman mentioned, that the major members of the royal family are just playing chess against each other and blocking each others' moves while the liberals are just trying to push and the conservatives are pushing.

Who are the liberals? I think the liberals of course is all the big merchant families – not all but most of the big merchant families in the Kingdom, especially on the west coast in Jiddah. They're intellectuals, the educated folks, and basically it is not probably a majority of the people – and I don't know if the majority of the people really have a voice in the matter. But the youth – and this is such a large number, as was mentioned earlier – the youth are probably just fed up with the old folks who are all the bearded guys on television, you know, playing these games to gain converts and so on. I think they're tired of that, and you can see that in the crowds as you walk in the souk and whatnot.

Whether there is a real strong feeling, we don't know until there is a civil society that's in existence. I think as a policy, what we should push is very much for the reform, but we have to be careful because the United States today is extremely disliked in Saudi Arabia by everyone, from the taxi driver to the prince, because of what they perceive as our policy in Palestine and Israel and our policies in Iraq. So any kind of support we give officially to the liberals will backfire against the liberals, and that's the biggest problem is they are viewed as the voice of America.

We can help in pushing for the WTO – for the Saudis joining WTO because that will impose – and I think the biggest – in my personal opinion, the biggest advantage of the WTO would be that WTO demands a transparency of the law. I think the biggest problem for reforms today in Saudi Arabia is that the judiciary is not above – is controlled by the executive and will not make independent decisions. If you have an independent judiciary, a transparent judiciary, then reforms can take place. So that's really where I come from on that.

MR. KAPLAN: Francois? Oh, Fawaz.

MR. GERGES: Probably I should let the ambassador – I'll come back to it.

MR. KAPLAN: Okay.

MR. FREEMAN: We talk about dissatisfied youth and unemployment, which are, in fact, serious problems in Saudi Arabia. But as I was listening to this discussion I realized there is a missing context. Let me try to provide this.

In 1989 when I moved to Saudi Arabia as ambassador, the Saudi Arabian welfare state was alive and well. That welfare state provided free medical care from cradle to grave, including, at the option of individual Saudis, a decision to have your medical procedures in Houston rather that in Riyadh. It provided free education from pre-primary through post-doctoral level, including, at your option, a degree at Princeton rather that at King Saud University – graduate degree. It provided every graduate, male and female – and there are more females in the universities than there are men – every graduate of a university with a $50,000 small business start-up grant upon graduation. Every Saudi male, upon reaching majority, got a

plot of land and an $80,000 interest-free construction loan to build a house. Electricity and water were essentially free and telephone service throughout the country was subsidized. Nobody had to work.

The function of the state in Saudi Arabia has been to do two things: first, to form a consensus and proclaim it, and second to distribute largesse to the people. Unlike every other country in the world where people are asked to contribute to the government in the form of taxes, in Saudi Arabia they have expected the government to contribute to them in the form of welfare and transfer payments. Saudi government can no longer form a consensus because the scale and complexity of society is such that it cannot effectively do what it needs to do without, in my view, as others have suggested, inventing institutions that would enable it to accomplish that purpose. The Saudi government can no longer distribute largesse. Every welfare program I mentioned has been trimmed, cut back, or eliminated. The standard of living now is one-fourth what it was in the 1980s. It can no longer perform that function of largesse; hence the problem, which is a fiscal problem. You cannot sustain a welfare state without taxation. You cannot address social problems without taxation. You cannot divorce government expenditure from revenue, from the prosperity of society.

Now, who are the Saudi liberals? It's easy to describe them as invertebrate animals who live in the desert. The fact is that they are the beneficiaries of this welfare state. They are the ones who went to Princeton and MIT and the University of Oklahoma and other institutions -- every college and university in the United States. They are the ones who, prior to 9/11, owned 100,000 private homes in the United States, took their families here for vacation and educated their children here. They are the ones who no longer come here because they can't get a visa because if they do get a visa they will be humiliated by officials at the border, or law enforcement officials, or by ordinary Americans. And they are the ones who will read today's Washington Post with a sense of horror about the American persecution of Islam.

So this comes back now to Jean-Francois' key point: what is the standing of the United States to press reform in Saudi Arabia? We have a declining economic relationship, a collapsing cultural and human relationship, an attenuated government relationship in every area except cooperation against terrorism where the two governments have greatly strengthened their relationship, and we have very little appeal to Saudis, even less perhaps than they have to us. If the crown prince of Saudi Arabia were to argue for gun control in the United States, I doubt that many people would find that a persuasive reason to carry out that policy. Similarly, when Americans talk about political reform in Saudi Arabia, it's generally counterproductive.

How to proceed? I think some very useful suggestions have been made, WTO being the principal one, because that does get to the economic roots of the problem. But we need to be a little bit humble about our ability, first of all, to understand the society we're talking about, which we clearly don't; and second, to prescribe for it; and third, to have the patient accept our prescription and of course the treatment we believe is appropriate.

MR. KAPLAN: If I could, Patrick, I'm curious: do you think America should adopt a more humble tone when talking about political reform in Saudi Arabia?

MR. CLAWSON: No, not at all. In Ambassador Freeman's last discourse, what was missing was any discussion of the royal family as the beneficiaries of the welfare state and the stealers of billions and billions of dollars.

When Saudi Arabia's ambassador to the United States can acknowledge on national television that $50 billion has gone missing in the last 30 years due to corruption and say "so what?" about it, I think that says something to us about the scale by which the royal family has looted this country. And it is the royal family which is the key problem, it's not the liberals. It's not the liberals who are the principal beneficiaries of the welfare state; it's the billions and billions of dollars directed into the pockets of a relatively small number of royal princes. And those are the ones who employ the silver-tongued spokesmen in Washington about why we should be more careful when we talk about Saudi Arabia, which we don't so well understand.

MR. FREEMAN: Patrick, you ought to grow a beard. You sound like Osama bin Laden.

MR. CLAWSON: Good, I'm glad to hear that I'm an Osama bin Laden in favor of democracy and against corruption. I think that we need more of them; that is to say, people who will speak out openly on that issue and who will advocate that we should use more support for democratic means in those countries.

And indeed, what we need is to speak out in favor of those in Saudi society who would like to tame that corruption. And we need to be careful about evaluating where people sit on these matters. I find it disturbing how many former U.S. government officials who served in Saudi Arabia are on the Saudi payroll or raising money from Saudi Arabia. I find it disturbing how few U.S. ambassadors to Saudi Arabia have spoken Arabic in the last 20 years – none to my knowledge. I find it disturbing how often we have had our embassy in Saudi Arabia sitting empty and how often we've had politicos without much experience in the Foreign Service in that position.

The Saudis have been very eager to ensure that we are not well represented in Saudi Arabia and have been very eager to suggest that we should be humble about the policies we adopt towards the royal family and direct attention at anything other than the royal family as a principal source of the country's fiscal problems.

MR. FREEMAN: I'd like the record to show that by the time I left Saudi Arabia I had achieved a three-three in Arabic.

MR. GERGES: (Chuckles.) Let's ask Patrick. Do you speak Arabic, Patrick? (Arabic phrase.)

MR. CLAWSON: Uh, no. My expertise, as I frequently say to people, is Iran, and I would be happy to have –

MR. GERGES: Some of the leading correspondents in New York Times report on the Arab world, do they speak a word of Arabic? Some of the leading academics who speak and write about the Arab world are not fluent in Arabic. Some of the people who basically theorize

about our destiny in that part of the world don't do any research mostly. And Patrick is correct; it's very tragic. It's very tragic. It tells you how anecdotes and secondhand reports basically now determine what goes for scholar research. Little wonder we were astonished when 9/11 – why do they hate us so much -- which is very false and falsified question anyway. But that's a different matter.

Let me, I mean, I think, be blunt about one commonsensical point here. There are no quick fixes out there. I mean, this is not – I mean, I know we in the United States, we always search for instant solutions because we are positive in our thinking that somehow we know that the process of reform and change, it takes decades. And I think, as Jean-Francois has made very clear, where do you start when civil society itself does not exist?

And we talk about the judiciary system. Saudi Arabia has just begun – has just begun to really implement a judicial system, put it in place. We talk about the liberals. Saudi Arabia is no different than any Arab country, that how can you have democracy with few democrats in that part of the world? If elections are to take place in many parts of the world, we know who are the dominant groups who basically will win elections. Islamists are the most organized, not because they – I mean, they represent between 28 percent and 35 percent but they are organized. The liberals are basically disorganized and they don't have the structures, the organizations to really somehow put, across the board, a major agenda for change.

So the question is – the first thing is, how do we start the process of institutional building in terms of the legal structure, in terms of civil society, in terms of empowerment of the professional and social classes that Jean-Francois mentioned, as a counterweight to the religious hardliners? And I think, as a Saudi Arabian judge, former Islamic judge, made it very clear a few days ago, he said, the challenge facing the royal family is how to disregard the conservative Wahhabi teachings and empower the liberal and professional and social classes.

And I think, again, for some of us students of Arab and Muslim politics who observe the social scene very closely, I'm really fascinated by how vibrant the debate is in Saudi Arabia today, truly. Now you have academics, you have civil society commentators, you have journalists – we have one here, Mr. Dahil (ph) – who are basically puncturing holes in the walls of secrecy and the walls of basically silence in the Kingdom. And I think, as you know – and I think Patrick would concede that Saudi Arabia is becoming more transparent, the royal family is becoming more transparent on this particular sense.

And I think, since we're talking about some specific issues and suggestions – and I think we're not talking about just one petition. In the last two years, dozens of petitions have been introduced by politicians and academics and commentators. And I think one particular petition last April, April 2003, a hundred politicians and academics sent a letter to senior princes, and I think that particular letter brilliantly summarized what needs to be done in order to counterbalance the conservative religious hardliners and empower the professional and liberal voices.

Just to mention a few specific ideas here is that I think first and foremost they talked about halting the waste of public money, separating the interests of the royal household from that

of the public interest. I mean, there must be some transparent mechanisms – I mean, a kind of – that is, the royal household, its interests separate from the public. It's really crucial because, I mean, I think, again, when you see the sums accumulated by some princes, it's just shocking -- you know, 30 billions, 40 billions, 20 billions, 10 billions. I mean, it's unbelievable, the sums of money.

And I think Saudi Arabians themselves are basically calling for such reforms. They talk about a conference, the creation of a conference for the reconciliation and dialogue. And I think Crown Prince Abdullah did convene such a conference a few months ago, and in fact, the first time that the Shi'ite leadership was basically invited and substantively participated in that particular conference.

The talked about reforming the judicial system, the most – when we talk about institutional building, there is nothing – I mean, this is the starting point and the departure point. You must create a judicial system, a transparent judicial system, a legal structure. Nothing takes place without that in particular. They talked about granting equal rights to women. Again, we talk about, I mean, democracy. You must empower women. I mean, we're talking about first steps, baby steps: abolishing restrictions on travel and preventing arrests without a trial, which is basically, I mean – and of course, most important of all, that particular letter in April 2003 called for the Saudi parliament to be elected, and that's really a major step that is -- again, without elected institutions, transparent institutions, I think we know what the process is. So, I mean, we know what needs to be done. The first question is, is the royal family willing, at this particular stage, to proceed with such – I mean, very creative and risk-taking steps.

And secondly -- I think I would come back to the point, Ambassador -- is about when we talk about the United States, I don't think anyone can really force Saudi Arabia to reform. I think Saudi Arabians themselves must be in charge, must be the ones to call, and of course, with the assistance of the international community, particularly the United States, which we know that its standing and status are at a low ebb now in the Kingdom.

MR. SEZNEC: Just a small comment I think on the liberal issue. The last three petitions in the Kingdom in a row have been liberal petitions. And that's a step in the right direction because in the past when there was a liberal petition there would be conservative petition immediately to sort of counter the other. This hasn't happened. Why? Because we're not talking a democracy here. I'm sure Abdullah has decided that he was not going to listen to conservative petitions.

MR. KAPLAN: I'd like to open up the panel to questions. If questioners could use this microphone and just identify yourself and identify the panelist or panelists who you'd like to answer your question.

Q: Yes, my name is Khalid Al-Dakhil and I am from the Carnegie Endowment. I just would like to make some point about the last point you made, Jean-Francois. Why the fact that the last three petitions were from the liberals and that there was no counter-answer from the conservatives? It's not that – again, as you say, it was the crown prince would not listen to the conservatives. No, I don't think that's the case. I think the reason for that goes for the fact that

when you made the distinction between the traditional Wahhabis and what I call myself, the new Wahhabis.

The traditional religious establishment in Saudi Arabia had really lost a lot of strength in the last two decades. That's the establishment that used to be the basis for power for the state. In the last meeting, that's what was talked about when the crown prince convened this conference for a national dialogue in Saudi Arabia and they invited the Shi'ites, Ismailis, and the Sufis, and the Wahhabis and brought them together for a conference for three days. This was a very significant step, I would think, because it is – yeah, it says that the state recognizes the religious diversity in the country and recognizes, of course, I mean, that those religious groups, other than the Wahhabis, have a role to play and have something to say.

Now, notice that in this meeting, the leaders of the traditional Wahhabis were not invited. And, you know, what is the attitude of the traditional Wahhabis? They are against these things. In the past, the state would not have dared to take such a step, but they did it. I think this is a clear indication that the traditional Wahhabis are losing power, and you have now – Francois called them the liberals religious – I would not call them liberals but they are more open than the traditional Wahhabis, which says, of course, a lot about the so-called Wahhabis in this country. Wahhabis in this country, or Wahhabism, is looked at as something as a monolithic structure and it is not capable of change. Well, this is not the case.

And another point I would like to make here is –

MR. KAPLAN: I'm sorry, do you have a question? Is there a question in there?

Q: I really would like just to make my comments, if you would allow me. I will ask, sir, some other questions.

MR. KAPLAN: So you do have a question.

Q: Yes.

MR. KAPLAN: Okay.

Q: It is the response to Patrick when he said that the United States should really participate in pushing the question of reform. I think it's not in the interests of reform for the United States to get involved in this because, let's face it, the United States has no credibility in the whole Arab world, especially Saudi Arabia. I am one of those who signed and who wrote this petition you talked about here. It's not in our interests for the United States, I mean, to get involved in the process of reform. If you want to get involved with the government here, encourage, talk, ask for the press to press, I mean, officials in Saudi Arabia, that's their business, but to get involved there as the State Department is trying to do, I don't think that's a good idea. It will backfire, and on this I would agree with the ambassador and with, I think, Fawaz on this point.

Thank you very much.

MR. CLAWSON: If I may respond to that. We were told that when the United States raised the issue about extremist ideologies and hatred in Saudi textbooks that it would be counterproductive and it would lead to no change in those textbooks. And this became a major focus of U.S. government discussions with Saudi officials in the period after September 11th. And we were told, oh, my god, this will be counterproductive, they'll dig in their heels, they won't change anything, and yet if I listen to Ambassador Freeman, I have no idea what the situation is, I'm not an expert in Saudi Arabia – I'll be the first to say that – and I don't know what's happened to Saudi textbooks. But I was intrigued by Ambassador Freeman's comments and intrigued by the comments of Saudi officials who tell us that in fact Saudi textbooks have been revised over the last two years and hateful material has been removed.

So I'm just intrigued that here's an example of an issue in which the United States decided that it wanted to intervene in a way and raise the matter, not in a confrontational way but intervene in a way.

And then I was also intrigued that also one of the first initiatives, this Middle East – well, MEPI, what's it stand for?

MR. KAPLAN: Partnership Initiative.

MR. CLAWSON: Partnership Initiative, thank you, thank you – that their first activity in Saudi Arabia is in fact going to be a discussion about curriculum.

So I would just suggest that in those few areas where we have been raising reform matters, we've had some impact. And I would hope that we could continue to pick particular areas where we could have some impact. But I would certainly agree –

MR. SEZNEC: One quick comment if I may. I think when -- for instance, just to take an example, I think one of the key issues and one of the big problems which the liberal – sorry to use the word "liberal," it's for the lack of a better name – but that the liberals run into is the strength of the mutawa. And if reforms are going to proceed in the Kingdom, the king – because it can only come from the king – has to disband the mutawas. If we as a country, America, go and tell the Saudis to disband the mutawas, I would agree that it will backfire. It has to come from within, but it is a subject that is being discussed in every majlis every night in the Kingdom.

So we have to be careful. Yes, we can put pressure and we should mention that we would like to see the mutawas disbanded, but that doesn't mean we have to tell the Saudi government, disband the mutawas or else we'll stop buying SUVs and not using oil, you know, or something of this awful nature.

MR. KAPLAN: The ambassador.

MR. FREEMAN: Just a quick comment. The review of the curriculum and the revision of the curriculum was done at Saudi initiative very shortly after 9/11 because the issue was raised internationally. And it was done because some Saudi textbooks, it turned out, had versions of

Islam in them that were contrary to the generally accepted tolerant vision that Saudis believe ought to be in the curriculum. That is to say, Islam is, in the minds of its adherents, the successor religion of both Judaism and Christianity, and to be a good Muslim you must believe both in Judaism and in Christianity. And therefore, textbooks that condemn the sister religions or the predecessor religions of Islam are ideologically unacceptable. And that was the basis for the review and cleanup.

And I think along with it, yet to be published but a matter of interest, I understand there was a review of both American and Israeli textbooks on the issue of religious tolerance. Of course, our textbooks in the public schools don't deal with religion at all. Our Sunday school teachings, to judge by some of the pronouncements of our religious establishment, are not terribly tolerant. I think of Franklin Graham's unfortunate remarks, and those of others. The Israeli textbooks do not teach tolerance of Islam or Christianity.

So this is an issue – frankly I think it's much wider than Saudi Arabia. I think the Saudis deserve some credit for having taken this issue seriously and cleaned up their act. But we didn't do that; they did it.

MR. KAPLAN: Is there another question?

Q: How out of touch is the royal family with the Saudi society? If that's the case, do they hate the royal family more than they do the United States? And if that's the case, do they view that as the point of the U.S. supporting the royal family, that maybe their anger should be targeted towards the United States?

MR. SEZNEC: I think it's purely a neglatory item. We don't have any studies on whether the Saudis hate the royal families more than the – the question that will be real difficult to ask in the street, considering we're not quite in the democracy yet. I think there is a great deal of dislike in Saudi Arabia at all levels for the royal family. I think the – I mean, that's from my own experience of talking to hundreds of people or maybe tens of people when I go on a trip, but that doesn't mean it's – and whom do I talk to, I mean, is another issue. But the – I think there is a great deal of dislike for the royal family. There is a great deal of dislike for the corruption in the royal family, mostly for the attitude of many of their especially junior princes, who think everything is owed to them and will just take over a shop and kick all the clients out. I mean, there's standard oil regime practices of, you know, it's our right, we take it, and it's called Saudi Arabia because we're al Sauds, and just get lost. So there is a lot of province with that.

On the other hand, as I mentioned earlier, I think, unfortunately, that both the conservatives and the more liberal side see the royal family as, you know, of the Saudi army group that is the bridge that can protect them against the other, or the firewall between the liberals and the conservatives, and vice versa. So I think what people want very much is to have the royal family come under control, very tight control, to make them citizens like everybody else. And once that can happen, then we would have a deal where the king would remain the king and he would be named after that – you know, as the sons Abdel al Aziz, from one of the sons of Abdel al Aziz. He would be more like the king like in Bahrain. And in the long term, to have more of a democracy with the royal family in charge, but with very little power, and

certainly a much-reduced royal family, I think that's what most people would want. I don't think they dislike the royal family more than the United States at this point. You would have asked that question five years ago, the answer may have been different.

MR. GERGES: May I – may I – I think there's a great deal, it seems – it seems because, I mean, what we know, a great deal of social upheaval under the surface. I mean, this is, it seems to me, the consensus even among all of us who pay close attention to the Kingdom. And it seems to me the few polls we have have shown that the militant message, which at this particular stage you might see advanced by people like Osama bin Laden and militant Islamists, while in the 1950s and 60s advanced by radical pan-Arab nationalists, basically resonates the most, at this stage, among young Saudi men, at this particular historic stage, and – even though most Saudis would disagree with the terrorist methods being adopted by some militant Islamists. So in this particular sense, there's a great deal of social upheaval in the Kingdom.

And it seems to me, too, it's very difficult – and this is the irony, I mean, for some of us who study the region, is that people don't really – while in the United States here, some of us basically argue that the Kingdom, wittingly or unwittingly, harbors and supports terrorism against the United States, in the Kingdom, the conventional wisdom – the dominant wisdom is that the royal family is in collusion with the United States to keep the status quo what it is; that is to – in fact, I would argue again – and please forgive me for throwing these blanket statements – most Saudi Arabians believe that the United States is no longer an external player in the internal affairs, but rather an internal player; that is, it basically plays a direct role in perpetuating their predicament because as a result – because people believe if it's not for America's political and military support, the royal family would not, I mean, exist – would not, I mean, remain what it is, maintain it's control. So I don't think, in the minds of many Saudis, basically as they distinguish – make distinction between the United States, and this is where the United States comes in because the United States is seen as directly perpetuating their predicament.

But let me make, I mean, a prediction, and I know one speculated it, and only fools speculate, as Machiavelli has warned us a long time ago. I think, it seems to me – and this is from the historical record – time and again, the royal family, I think, has proved to be able to weather dangerous storms in the last 50 years. As you know, the conventional wisdom in the 1950s and 60s, that the old monarchies in the Gulf – in Jordan, Morocco – were unviable and were bound to disappear from the scene. And we know now from, again, that the old monarchies have proved to be very resilient. In fact, nothing of the sort has happened; that is the collapse of the old monarchies. In fact, an opposite trend appears to be taking place in the Arab world, that hereditary politics appears to be the norm, even in radical states like Libya, Syria, Yemen, and even Egypt – unfortunately, they're moving towards hereditary politics.

But of course, I mean, the nature and form of dissent in Saudi Arabia today differs from that of the 1950s and 60s. Now we're talking about public dissent, and public dissent – widespread public dissent. And the question is, will the royal family be able to weather this new form of social upheaval in the same manner that it was able to do so in the 1950s and 60s without taking some major steps – radical steps – in order to confront the new challenges.

MR. FREEMAN: As Jean-Francois said, all information on this is anecdotal. Let me make a few comments, however.

First, as Fawaz just pointed out, the two questions – that is, the question of views of the United States and views of the royal family – essentially are inseparable. The United States is now intensely disliked in Saudi Arabia, and that works to the detriment of views of the royal family, which is seen as in close cooperation with the United States, rightly or wrongly.

Second, I think always there are differences between views of institutions and views of individuals who participate in them. For example, if you look at the polling data in the United States, generally Americans just have very little but contempt for the Congress as an institution, and yet they like their individual congressman or woman and they vote to reelect them. So, there's a sort of contradiction, that the overall – the sum of the parts is somehow no good, but my part of it is fine.

Which brings me to the third point, and that is, historically, there was very little separation – far less in Saudi Arabia than in our country – between Saudi – members of the Saudi royal family and Saudi officials on the one hand, and the general public on the other, and this is because of the institution of the Majlis, whereby Saudi custom – open house, open office hours – have to be held. Anybody could walk in on the king and give him a petition, explain – make a complaint. What has happened under the impact of oil wealth, and more recently terrorism, is that this mechanism is breaking down.

People used to live – members of the royal family lived in mud houses with rooms for the Majlis, which were next to the street. Now they live in immense palaces with big walls and guards and, you know, no parking area out on the street, in cities that are motorcar cities like Los Angeles. So, the access is greatly diminished.

Second, security concerns, which were nonexistent, now have intruded in Saudi society. For the first time, there are barricades, there are police checkpoints, there are all sorts of obstacles between you and a member of the royal family.

Fourth point, however, is that I think, when people look at the Saudi royal family and its individual members, what they object to are abuse of privilege; the scofflaw attitude by members of the royal family, that they are above the law; and the issue of corruption. Now, the issue of corruption has to be examined more carefully because nobody ever complains about corruption as long as they're getting their piece of it. This is the principle that Mayor Daley built a city on – (audio break) – people as under stress, and something will have to be done in political reform to redefine this relationship and correct it.

MR. KAPLAN: We have time for a final question.

Q: Dan Raviv with CBS News. Can we turn to foreign affairs for a second, in terms of whether this government of Saudi Arabia cooperates with the U.S. on some issues in the region, and that region that we really care about. Iraq – rebuilding Iraq, I would think the Saudis would know a lot and could be helpful if they want to be. The Israeli-Palestinian dispute – helping with

the roadmap and other U.S. and Western initiatives, are they not doing so? The general war on terrorism – well, in a way, I guess we have covered that – and oil prices. In effect, are the Saudis on our side on these issues?

MR. SEZNEC: Maybe I will start. I'm, you know – very briefly, okay.

On the price of oil, what's our side? This would be a question – I mean, do we – I think a lot of people in this country would be very happy to have the price between $22 and $28, mainly the people of Louisiana, Oklahoma, and perhaps Texas. You know, if the price of oil is too low, then we will consume more, which is bad for us in the long run. So I think the Saudis have been trying to maintain the price between 22 and 28 for their own interest, but it's also of interest to us. So I think – from a foreign affairs standpoint, I think the Saudis and the Americans that are working on the price of oil, very much along the same line for different reasons, I think.

In terms of Iraq, I think many Saudi companies would love to be involved, doing business in Iraq. They have some of the largest contracting firms in the world if they could put their fingers in there. I don't think they can, and I don't think it's coming from them. I think, in terms of the Palestinian issues, I don't know what their – I really cannot comment on that. I don't know.

MR. GERGES: May I – may I just – one footnote. I'm glad you asked the question about the American-Saudi connection because we talk about the royal family's, quote unquote, "indirect" support for terrorism, yet the question that has not been asked in the United States – truly, it has not been put on the table – to what extent – Patrick, to what extent have American foreign policies in the Middle East delegitimized the House of Saud further in the eyes of its populations? And I can't tell you how critical this particular question, because in the minds of most Saudi Arabians, as I mentioned, that the royal family itself is a crony – a front for the American foreign policy establishment.

We talk about Iraq. How many Americans know that the American war campaign was basically run from Saudi Arabia? How many Americans know that the selecting of targets in Iraq – the selecting of U.S. targets in Iraq to bomb targets – were basically being conducted from Saudi borders? How many Americans know that Saudi Arabia fully – but yet, tacitly – supported the American invasion of Iraq? How many Americans know that Saudi Arabia is a full participant in the war against terrorism – I mean, of course initially it was a bit reluctant, but now – and basically has been extremely willing to accept America's demands when it comes to the Palestinian-Israeli conflicts and others? And this really plays a major role in delegitimizing the House of Saud in the eyes of its population, and delegitimizing Saudi Arabia in the house of most Arabs and Muslims. I mean, you ask any Arabs, they say Saudi Arabia, the ultimate villain, the traitor, a sellout, the thief. Look what Saudi Arabia has done. It's in collusion with the United States.

But surely, the debate – we don't ask these questions here in the United States. We talk about the royal family's incitement and support of terrorism and so on and so forth.

MR. KAPLAN: Patrick, would you like to weigh in?

MR. CLAWSON: Sure. Look, I think that it's inappropriate to expect that the United States and Saudi Arabia are going to have common positions on a great many foreign policy issues. I characterize the relationship between our two countries as a mile deep and an inch wide; that is to say, we share in common certain profoundly important interests, especially the unimpeded flow of oil at a reasonable and stable price.

And yet, we are profoundly different societies, and I think that the relationship suffers when we attempt to make this into some kind of a broad friendship, much less into an alliance. We disagree on lots of questions about how to structure our society and lots of questions about foreign policy, and I don't think that the relationship is better for either side when we attempt to make this into the same kind of relationship, even one that we have with France, where we get shocked and outraged when they take different positions on questions.

I think on the whole, our relationship with Saudi Arabia ought to be one where we respectfully disagree on most questions, and that we recognize that there are, however, certain extraordinarily important points that we have in common, where we can work on together even though we disagree on many, many, many issues. So, I think that the attempt to have a close embrace throughout the 1990s was a mistake, and it was unfortunate for both sides and it didn't help our relationship. I think it was, indeed, part of the reason that we got blamed by young Saudis for the policies that – of the Saudi government, and I don't think it helped the Saudi government at all. So, I think a little distance would be better in the relationship. It would be healthier for both sides if the relationship were more distant, and if we recognize that the profound ties that we have about certain matters, especially about energy issues, do not spill over onto the broad range of issues in foreign policy.

MR. FREEMAN: I can't add anything to the discussion of oil, and as you have said, we have talked about terrorism, which is, if anything, a greater existential concern to the Saudi monarchy than it is to us as Americans, and therefore draws the intense response that it has.

I will just say on the issue of Iraqi reconstruction, there isn't really much reconstruction going on. Bechtel, which was hired to do the survey and set the priorities, remains in the Kuwait Sheraton, not in Baghdad. The UNDP, which knows a lot about Iraqi infrastructure and different requirements, is now in Amman, Jordan, no longer in Baghdad. We are being shot at because we failed to restore basic services, and now we can't restore basic services because we're being shot at, and not a hell of a lot is going on. In the long run, Saudi companies will play a major role in the redevelopment of Iraq, once Iraq returns to Iraqi control. But here, at the moment, Iraq is an incompetently managed Pentagon theme park – (laughter) – and we are up at the U.N., asking the international community to give the Pentagon the money to continue botching the job. And this is not going to appeal anywhere, not in Saudi Arabia.

On the issue of Israeli-Palestinian interaction, let's face it: there is no peace process. The roadmap has been burned up by the zero-sum gamers who are in charge on both sides. Extremists run the government of Israel and they dominate the politics of the Palestinians, and the two are locked in a dance of death that so absorbs them that they – neither of them pay much attention to us anymore. The Saudi position, as I understand it in this context, is that if – when

and if Israelis and Palestinians can reach some sort of accommodation that ends the dance of death, Saudi Arabia now, unlike in the past, will be the first Arab country to step forward and normalize relations with Israel, and will make its contribution to peace when peace occurs. But we have never been farther from peace in the Middle East.

MR. KAPLAN: Just to summarize a few points of agreement which we had today. I think one is certainly that all our panelists agreed that economics and demographics is certainly as pressing if not more of a pressing problem in Saudi Arabia than religion. I think we all agree that, if Saudi Arabia is to be reformed, it needs to be reformed slowly and not overnight, and that too much American pressure can certainly backfire. I think also it's fairly clear that that reform is proceeding extremely slowly in any case. And I think, finally, we have a picture of a regime that is really sandwiched between a population which sees it as a proxy of the United States and Americans ourselves, who see the Saudi family, by and large, as intimately involved with terrorists; not an enviable spot to be in. But thank you for coming today. Thank you. (Applause.)

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