



National Council on U.S.-Arab Relations

1730 M St NW, Suite 503
Washington, DC 20036

Phone: +1-202-293-6466

Fax: +1-202-293-7770

Web: ncusar.org

23rd Arab-U.S. Policymakers Conference

*Framing and Charting the Region's Issues, Interests, Challenges, and Opportunities:
Implications for Arab and U.S. Policies*

Washington, DC
October 28, 2014

"GULF COOPERATION COUNCIL: ROLE IN REGIONAL DYNAMICS"

Chair:

Dr. John Duke Anthony - Founding President and CEO, National Council on U.S.-Arab Relations.

Speakers:

H.E. Dr. Abdullah I. El-Kuwaiz - Chairman, International Advisory Board, Acwa Power; Member, Governing Board, Oxford Institute of Energy Studies; former Associate Secretary General for Economic Affairs, Gulf Cooperation Council; former Chairman of the Board and Chief Executive Officer, Arab Monetary Fund; former Ambassador of Saudi Arabia to Bahrain.

Dr. Abdulaziz Sager - Chairman and Founder, Gulf Research Center.

Ambassador (Ret.) Stephen A. Seche - Senior Analyst, Dentons; former Deputy Assistant Secretary, Bureau of Near Eastern Affairs, U.S. Department of State; former U.S. Ambassador to Yemen (2007-2010).

Dr. Abdullah AlShayji - Professor of International Relations and Chairman, American Studies Unit, Kuwait University; author, *Kuwait's Ceaseless Quest for Survival in a Hostile Environment*.

Dr. Abdulkhaleq Abdulla - Chairman, Cultural Committee, Dubai Cultural Association; Professor, Master in Gulf Studies Program, Qatar University; former Professor of Political Science, United Arab Emirates University; lead author, *2008 Arab Knowledge Report*.

Remarks as delivered.

[Dr. John Duke Anthony] We're going to talk about the Gulf Cooperation Council and regional dynamics, and I think it's important because the Gulf Cooperation Council was not widely understood until relatively recent times. Indeed, when George H. W. Bush was debating then Governor of Massachusetts Michael Dukakis and he talked about America's cooperation with the Gulf Cooperation Council, many newspapers thought he was talking about the Gulf of Mexico.

So we're some ways down the road from that. But here we have an organization that's been faulted for its flaws, its limitations, its shortcomings, its non-achievements, its non-accomplishments more than for what it has done. In this regard I think it might be useful for you to have the following context, because the GCC - and some of the speakers may correct me if they see it differently - was hoping to become something in the region like the European Union became and is and was and is aspiring yet to become. And yet the GCC came into existence in ways that the European Union did not.

For example, one: the European Union had the United States at its back and a treaty relationship through the North Atlantic Treaty Organization. The GCC countries were on death's doorstep in terms of the Iran-Iraq War waging across the waters right next to them. They had no such formal guarantee by the United States government.

Secondly, the European Union countries were founded by those who were ravaged and destroyed in World War II emotionally, psychologically, infrastructurally, economically, and governmentally, and this provided an emotional, psychological stimulus and glue and lubricant and adhesive that brought them together. You didn't have anything remotely comparable to the GCC countries. They were not war-torn. They were not the victims of the ravages of world wars.

Thirdly, the European Union had a preexisting institution called the European Coal and Steel Community, which had already begun an "us-ness" between and amongst the signatory powers. There was no such comparable economic institution between and amongst the GCC countries.

These things were all absent, and yet they formed themselves in spite of that. A model, for sure, was the United Arab Emirates in terms of how fast and how far they could go with regard to the politics of compromise and consultation and consent, in keeping with their beliefs, their values, their traditions, their institutions. And here we are heading towards the fourth decade of this sub-regional organization, which is supported by the U.N. Charter which encourages

sub-regional and regional organizations as further building blocks towards regional security, stability, defense, and the prospects for peace and prosperity.

We have four distinguished speakers who will come at this in different directions.

We have Dr. Abdulaziz Sager, who's in the middle of the table to my left – the one in the middle of the table who has a beard, not the other one there – who is the founding visionary of the Gulf Research Center, that in less than a decade and a half has become the number one non-profit, non-governmental research think tank from Morocco to Muscat, Baghdad to Berbera, Algiers to Aden, Aleppo and Alexandria in between there. And he and his colleague Christian Koch are here. If you've not gone to one of the Gulf Research meetings you're missing something.

After Dr. Sager we have Ambassador Steve Seche, who was America's Ambassador to Yemen during the run up to some of the even more turbulent times on his doorstep in Sana'a, in comparison and contrast to the ones today.

And then after Ambassador Seche, we have Dr. Abdullah Al Shayji from the University of Kuwait. He used to head the information office outside of Kuwait. He's been an indefatigable writer and speaker on issues pertaining to Arab-U.S. relations.

And Dr. Abdulkhaleq Abdulla to my far right, who's a professor from the United Arab Emirates, obtained his Ph. D from Georgetown University, and he's equally prolific in his writings, briefings, and analysis, and public lectures.

Dr. Sager, please.

To my right is the Ambassador of the Gulf Cooperation Council to the United Nations, Abdulaziz Al-Ammar. We're pleased to have him.

[Dr. Abdulaziz Sager] Excellencies, ladies and gentlemen, what a great pleasure to be again in Washington, D.C., a town that I love and I know it's the capital of the world, so many decisions are made on the Pennsylvania Avenue, so it reflects and affects the whole world.

I think I'll be commenting on a few issues that are related to the region, primarily some of the key issues that we think affect the Gulf and America relations. This relationship is old enough between both sides, between the United States of America and all of the GCC countries, but at the same time lately and after the Arab Spring from let's say January 2011 until today we have many open issues that are unresolved. And those issues, I'll start just by telegraphic style and focusing on some of those points and then go through them very quickly with you.

Perhaps I can focus on the main concern in the region and how do we see it from our point of view.

If I start with our big neighbor, Iran. Prince Turki mentioned a lot of issues, and I will just maybe emphasize some of those. But definitely he mentioned Iran is very important from us because first, it's a Muslim country majority of course due to the population, and second, geographically it's very important.

We have no problem with the people. We like them, we live with them, we have a lot in common with them, but at the same time we suffer from the policies that Iran has adopted in the region. And I will start with the key issue. They're using sectarianism as a means of intervention in the Arab affairs issues.

Now, this interventionist policy has worked very well for Iran but definitely not for us because we feel it's an Arab region. It should be left for us to decide what we want and how we would like to do it and how to handle it. However, Iran claims that they suffered of course – and I agree with them – from the Iraq-Iran War, but whom to blame – we have to keep this away now. But after these years I think both sides have realized there's no winner so it's time to stop it.

But after that the Iran revolution regime have adopted this sort of policy, and what a big gift U.S. gave them. Destroy Iraq, have an open gate for them. As Prince Saud al Faisal said in his speech many years ago at the Council on Foreign Relations, Iran delivered or received Iraq on a golden plate, and what a beautiful gift.

As a result of that, the U.S. invaded Iraq for us. We were hoping at that time the U.S. would not invade. We said there are many ways of getting rid of Saddam without going through a war based on a big lie – chemical, biological, nobody find anything there. However, the war was there. We hoped that the U.S. should have finished the job and done it right. Unfortunately, the U.S. policy decided no, let's work our way out, let's hope it's all done, let's leave nothing there. That even when they wanted to fight ISIS there's no brigade in Iraq that can fight and stand there, so we have to come back again to redo it.

Now, with that situation of course Iraq was a big issue for us because Iraq was a neighboring country. They have the mosaic of the Muslim Sunni and the Muslim Shia and the Kurd live together, and at the same time it was part of the equation of the Gulf security. With the new situation, Iraq are out of the equation of the region's security. They cannot defend, they cannot support, they cannot be part of that.

So what do we have today? A new security vacuum in Iraq, a divided Iraq almost, a situation – it was a platform for the creation of what Prince Turki called it, Fa'esh,

and I agree with him on that. People used to call it Da'esh, but he says it's Fa'esh. And then we move from Iraq. So Iraq, interventionist policy of Iran using the sectarian dimension did work fine for Iran, but again it put a huge burden on the Iranian policy to deal with that.

Then Syria. Syria today is very important for us. We were hoping I mean Saudi Arabia the king forwarded a letter to the Syrian people only came out after the expansion of the massive use of force and the expansion of the tension within Syria. We waited until August 2012 before even there was a letter. We were hoping that al Assad would listen and try to resolve it amicably, politically, domestically without having to go through a massive thing. But today what do we have? We have three hundred thousand people have been killed, many millions of Syrians outside Syria, and a destroyed country that will take many years to rebuild and billions of dollars to do it.

And today Bashar is still there. Da'esh and Al Nusra are there, extremism are there, and Bashar is still there. So what is going to happen? We heard somebody from the region, from the non-Arab country say that he expects to see an Alawi state, many Sunni, and a Kurdish state in Syria. I'm not so sure the U.S. policymakers really go through a detailed analysis and think about dividing it and separation in the region will work fine for the U.S. interests in the region. This is something they need to examine quite well.

Why is that situation today?

Because there has been a lot of vetoes from the U.S. I am not blaming the U.S. policy, I am just mentioning some of the issues, by the way. So what is happening there is we have the U.S. veto. And number one, trying to identify who are the right people, who are the reasonable opposition in Syria, how can we support them, what do we need to do.

There was never a Syrian opposition organized organization. It was a creation after what happened in Syria. As a result of that there is the moderate Syrian opposition. Saudi Arabia and other countries have decided to help them, to support them to get rid of Bashar al Assad. We always had the veto from the U.S., either in equipping them or giving them the right military adequate equipment that they required like anti-aircraft and anti-tanks because we were all afraid it goes in the wrong hand.

Now look at the wrong hand already today. They are there, they're operating, they're using all means and ways of achieving what they would like to achieve as a goal of that. Yet Iran and Russia stood very strongly there, saying we are going

to support our ally al Assad against the U.S. interest; again it's the Arab friends of the United States of America in the region.

So Syria remains there, Bashar al Assad is there, 300,000 people have been killed, many millions outside, the country is destroyed, and you are still revisiting the issue, you are still thinking to train some of the Syrian opposition. Hopefully the program will start in February. Hopefully they will be equipped not to change al Assad, but to send a message to al Assad that there are some people.

So all these issues, I'm not so sure really it's in the best interests of everybody in our part of the world.

Now again, the issue of the nuclear program had been mentioned, and as Prince Turki said if the P5+1 agree with Iran we would be more than happy. I don't think we're going to have a final agreement in November. I think it will be extended. We're going to have another extension of negotiation there, but finally due to the economic embargo on Iran maybe we will see some sort of result, some sort of solution that will take place there.

So if I look at all of these issues and then I move to Yemen. Yemen issue is very important. There was always a state of denial from the Iranians that they have never been involved in the issue of Yemen. But reality says that as soon as the Houthi rebelled the first two people they released from jail was a Lebanese Hezbollah trained by the Iranian Revolutionary Guard and they delivered them to Iran, not to Lebanon, although they are Lebanese.

So that shows the sort of linkage. Those two vessels with armament has been supplied through the Bab el Mandeb, through the Yemeni border which has been confiscated by the Yemeni government. We all agree we have a weak government. We have never really supported - we have done, Saudi Arabia by the way to my best knowledge from March 2011 until today gave to Yemen close to \$9 billion. That's the money that we pay to Yemen trying to keep it paying the salary, the wages, support the government, pay for the deficit that the Yemeni government has, but still it's a weak state. It's 25 million people there.

Today what we have there - we have a huge conflict internally. We have al Qaeda, which is a big threat. Saudi has supported the U.S. by giving them the right base to use the drone to operate and to deliver their operation to the right target they need to achieve in Yemen. But did that kill al Qaeda? Did that finish al Qaeda? Not yet. We still have plenty of al Qaeda members there.

So my fears today, although we have a non-state actor took over the situation, Iran in a country like Yemen, and try to control, they use the same methodology of

Hezbollah, they don't want to rule, they just control the key position and the key issues there in the country, and then negotiate everything. Negotiate the appointment of the prime ministers, negotiate the number of seats they would like to have - from four they went to six, to ten, now they don't agree to the prime minister, and later on they will negotiate all the constitutional issues there and make sure they have.

Although they only represent two percent Zaydis in Yemen, and the rest of course, more than 75 percent are Sunni in Yemen. However, situation in Yemen today is deteriorating. There is a killing everyday. There's a conflict between al Qaeda and al Houthi. What we used to call South Yemen are fighting for their own independence. It's the plan. They want to be independent. They say we will go back to 1990 border. This is when it was two separate countries. At that time, the collapse of the Soviet Union, we find nobody to support us, so it was natural to look for a North Yemen and merge with them. We were never one country before the war it came in Yemen in 1913 and dealing with Khalil Yemeni the state known as Mutawakelite of at that time but it was never really one country, it was always separate. And now they are demanding for that.

Yesterday we heard the news, there was a big meeting in the south part of Yemen on the Aden side for their own parliamentary constitution. They try to call the people from the defense and security to be back to south and say you belong to the south, you should be there to fight and to help for your own independent state there. Now, this is a creation of a new state, and then it may receive big support from the Gulf countries because let's save what we can save. South is 70 percent of the land, 70 percent of the resources, oil and gas. Fishery and harbor are still in the south. At the same time, they share with Saudi Arabia almost close to 1,200 kilometer border, so that makes it extremely important, vulnerable for Saudi Arabia, not to let it collapse, and not to let al Qaeda take over the south and announce a new state, like what happened on the north side. So that's again, it's a situation where we have there.

So it's unfortunately - although we love our Iranian friends, we don't blame them for everything. We love our American friends, we don't blame them for everything. I think we need to blame ourselves in the region. Maybe taking it easy and for granted, making ourselves believe that our friends will fight and we are willing to pay for that cost made us a bit lazy and not active enough as we should be in really dealing with matters and issues related to us in the region. So we should not blame the others, first we should blame ourselves and try to deal with those issues. However, I think from time to time when there is a good coordination meeting council between both sides, many of those issues have been discussed. Sometimes it takes a process. There's a huge bureaucracy between both sides, but at the same time we can see a better understanding happening from both sides.

I think this is the key issue I wanted to mention, and since I said I have two minutes, the two minutes I will use them to tell you that the GCC has survived more than 33 years, and the GCC is going to continue to survive. There's no question about the continuation of the GCC, even if there is a dispute. King Abdullah in December 19, 2011 have called to move from Cooperation to Union, and we can see the union happening.

There's three countries in agreement - Saudi Arabia, Bahrain, and Qatar. Kuwait did not say no, but at the same time they are still discussing. U.A.E. has come forward now with some of the issues. I think it's a process - it will take time. We can see the union happening all of a sudden tomorrow. It's not just a political will, it's a process, they need to go through it. But again, we believe in the region as people from the region that if the cooperation council was created due to a political security reason in 1981 the continuation of that is the right of the people. So the people have the right to tie up to it, to keep it and to move it forward to union because we have a lot to gain. And that issue I must say for the United States of America what's in it for them?

There's a lot. And a lot. I mean dealing with a unified body the GCC which cannot be identified as an enemy. It's a friend of the region, and it's a friend of the United States. For us, the United States - it's irreplaceable. We cannot replace United States by India, China, or other country - no. We have that sort of a strong relation, a strong tie, so it's going to work better for United States to have a strong body and I'm sure the Ambassador can correct on that issue - the last couple of years the coordination meeting between Foreign Minister, the State Department meeting in New York takes place and many issues being discussed, and there's a strategic sort of a dialogue and cooperation that one. I hope the union takes place and it moves forward for the best of the people there and for the best of the rest of the world, and also for the strong alliance like the United States of America to see that cooperation brings a lot.

We are still committed to sell our commodities in U.S. dollar, and we are still committed to deposit it in the Federal Reserve. We're still committed to buy our military equipment - the majority comes from United States of America. So that commitment remains, and we have our sons studying in your country. Saudi Arabia alone, we have more than 120,000 people, students studying in this country. I was so happy to see only on the medicine side there's more than 2,000 students studying here, doing their advanced programs in that. So this makes it extremely important for us, so don't underestimate the relations between both sides. We have differences, but we should discuss them and hopefully we reach some sort of decision.

The boss is pushing me to stop. I'd like to thank him a lot. I'd like to thank the Council for inviting me to be here in Washington and talking to you. I'd be glad to take some questions at this time. Thank you very much.

[Dr. John Duke Anthony] That was a great beginning.

[Ambassador Stephen A. Seche] Good afternoon everybody. Thank you, John, for letting me join you all this afternoon.

As I begin let me just note that I would normally never argue with anything that Dr. Ken Katzman says, because he's a great scholar and I admire his work, but I will take a small exception to his assertion today that the GCC is a center of gravity in the Middle East. Frankly, my position would be that the GCC is punching well below its weight as an organization. Put another way, I think it's something less at the moment than the sum of its parts. I don't think this is necessarily a permanent state of affairs, and in fact I do think it probably will change over time, but I do not believe that the intrinsic obstacles to that kind of integration or coordination that we all would like to see the GCC attain will be overcome in the short term.

I think there are three principle reasons why this is the case.

The first I think is a lack of internal cohesion among the GCC states on major foreign policy issues. We're all familiar with this phenomenon from Libya to Egypt to Syria to the Muslim Brotherhood just about anywhere it shows up. There is a dispute about how to approach the issue, how to resolve it, how to accommodate it, how to make the best progress on that issue. I might even suggest on the most neuralgic issue facing the Gulf, that is Iran and its resurgent role in the region, there is something less than complete agreement within the GCC.

Certainly Saudi Arabia is the most adamant when it comes to describing the threat to regional stability posed by Iran and in this regard Bahrain, certainly hues most closely to Riyadh's position.

I would submit, however, that the rest of the GCC states even while wary of Iran's intentions are far more prepared to come to some accommodation with Tehran, particularly if it avoids an armed conflict and allows existing commercial and economic relations to persist.

The U.A.E., for example, despite its continued dispute over three islands in the Persian Gulf with Iran has historically close commercial relations, mainly and particularly via Dubai. Qatar shares enormous gas fields in the Persian Gulf. Kuwait maintains generally good working relations. And Oman, of course, has

carved out a particular niche for itself as Tehran's preferred backchannel to quiet diplomacy with the West.

The second impediment between a more cohesive GCC is reluctance on the part of member states to relinquish the national sovereignty in pursuit of greater integration. Even on issues of economic integration, far less neuralgic than the political ones we see around us today, progress has been slow, at least partly because this is no easy task for highly autonomous governments led by royal family members to give up control over their nations' institutions and policies.

There is yet another aspect of the sovereignty issue that we see arise as discussion turns to concepts such as a political union, and that is lingering concern on the part of the GCC's smaller member states regarding Saudi domination. This anxiety reveals itself from time to time in very public ways, as was the case last December when Oman stated its strong opposition to efforts to form a political union, and as Dr. Sager noted Kuwait is still working on this as is the U.A.E.

Other Gulf States also are likely to be wary of the degree of integration needed to forge an effective regional security organization, given Saudi Arabia's military capacity, which outstrips that of its neighbors.

And the third and final element here at play is diminished confidence that the U.S. will continue to be the guarantor of Gulf security. Going forward, the GCC is going to be reluctant to take the hard decisions needed to form a successful regional security organization, absent a significant commitment from its traditional western backer. But conditions at home and political realities in the region may make it difficult for the U.S. to invest in new alliance structures.

So how does the GCC form a more perfect union? To begin with it may want to return to some of its founding fundamental principles. After all, as Dr. Sager noted, the organization was founded in 1981 largely to further political and economic interests. Yet, a customs union agreed to a decade ago has yet to take effect, and trade among GCC member states is extremely low. In 2011, it only represented about six percent of member states trade with the rest of the world. In comparison, intra-E.U. trade amounts to ten times that total, or sixty percent of the E.U. trade. By focusing attention on adopting common customs procedures, domestic investment rules and regulations, and ensuring sufficient job creation for their citizens will help attract the foreign investment needed as the Gulf States try to diversify their economic models and retool for success in the twenty-first century. And it may create a more propitious climate for consensus in other key areas of engagement.

And friends can help. The U.S. has tried to develop a greater sense of cohesion in the form of the Strategic Cooperation Forum, which it initiated in January 2012. Last December, President Obama authorized the sale of weapons to the GCC itself, which we all agree is a far more aspirational than practical matter since there is no procurement arm in the GCC as of this moment. Nevertheless, it does speak to a U.S. interest in promoting a genuine region-wide approach to defense.

However, in the mean time what we're likely to see is a continuation of individual states stepping out to protect their national interests as they define them with or without the imprimatur of the GCC.

Thank you very much.

[Dr. Abdullah AlShayji] Thank you very much. Good afternoon, ladies and gentlemen. I'm glad to be here again. I thank John Duke Anthony, the National Council on U.S.-Arab Relations for allowing me the opportunity to be among distinguished colleagues here on this panel, and distinguished guests in this hall.

The topic I want to talk about - how to strengthen the GCC-United States strategic relationship in a time of crisis in our region. I just published a paper, I'd like to think the Middle East Policy, Tom Mattair here, I'd like to recognize him for helping publishing my paper, it just came out. The GCC-U.S. Relationship: A GCC Perspective in the current issue of Middle East Policy, Fall 2014.

[<http://mepc.org/journal/middle-east-policy-archives/gcc-us-relationship-gcc-perspective>]

The issue at hand here is why is there a rift between two supposedly strong and strategic partners. The GCC has proven time and again their reliability and steadfastness in being a moderate voice in a sane region that has been completely emerged in chaos and instability. Today, there are a lot of phenomena. The dynamics in the region are really now clearly have shifted from the traditional powerhouses in the Arab Mashriq that used to be the powerful role of Egypt, Iraq, Syria. Today, GCC is the de facto leader of the Arab world in terms of GDP, in terms of initiatives, in terms of leaderships, and we have seen that over the last few years.

But also other phenomenon is that we are also faced with failed states. We are faced with the weakened Arab political system. We today are faced with non-state actors dominating the scene. Hezbollah in Lebanon, before ISIS or Da'esh or Fa'esh, used to be and still is the main player in Lebanon, for instance. Da'esh is the major player in the region. Abu Bakr al-Baghdadi is the most power leader in that world. And this is unacceptable.

The third phenomenon is that the blunders and mistakes by the United States have come home to roost now. We are paying the price of these blunders. The radicalization of even moderate Muslims is because a lot of people in the Arab world would argue an analysis is that by toppling Saddam Hussein with all his thuggishness, with all his dictatorship caused the genie to get out of the bottle and created this lack of balance of power in the region, allowed Iran to be a resurgent, powerful, hegemonic player, to meddle in the affairs of its neighbors, and to be the ones who's calling the shots in many parts of – in four Arab countries at least, as one or many Iranian officials have stated.

This also has come at a time that there has been drift and incoherence of U.S. foreign policy under the Obama Administration regarding many issues that this morning Chas Freeman talked about. I was struck by the many speakers who spoke about the failed U.S. policy in the Middle East. Yesterday we were at the Wilson Center, there was discussion – we have so many brilliant minds in this beltway here in Washington in various aspects, in politics, economics, strategic, you have think tanks, and it really bedeviled me why the policy of United States is not as successful as it should be. Why your allies are always now questioning the reliability of the United States. When push comes to shove will the United States be there?

As Prince Turki al Faisal stated, we told you so. If United States listened to its GCC partners by not invading and toppling Saddam Hussein, Iran wouldn't be that menacing threat that it is today, and I'm speaking as a Kuwaiti now.

Saddam Hussein invaded, occupied my country for seven months. We know the hellish seven months. But still Saddam Hussein, with all his brutality, was the only guy who kept a balance of terror with Iran. By toppling Saddam Hussein you screwed up and you ruined the fragile political balance of terror between Iraq and between Iran.

If United States listened to the Saudis and to the GCC countries to bomb Bashar al Assad when he crossed President Obama's line, redline back in August 2013, when he gassed his own people we wouldn't be now forming a 50 country coalition of the willing and bombing Da'esh. This is for the first time in history as an international relation professor I see fifty countries pilling up, ganging up against a non-state actor with pickup trucks who do not even manufacture a bullet. This is insane. If this administration or future administration will not listen, will not be transparent, and will not treat their reliable partners on equal par and listen to their grievances and allay their fears then I don't think this relationship could be really prosper to the maximum limit that it should be.

So, I don't know how much time I have left, but I just would like to go to the conclusion remarks if I will, leaving Q&A time for questioning. Today there is a fear in the GCC of abandonment. There is a fear between entrapment and abandonment. This is a typical international relations security dilemma scenario. Abandonment in the terms of the shale oil and gas, less dependent on GCC oil, pivoting towards Asia, completely submerged with inward looking and local issues. Now midterm elections, Ebola, and pivot towards Asia – all these issues are now playing panic fear when they were announced, especially pivoting towards Asia a couple of years ago. Now we don't see it – somebody in the previous panel said it was a pivot from Europe, not from the region.

The U.S.-GCC Strategic Cooperation Forum was a move in the right direction in my opinion, when it was established back in March 2013 when U.S. Secretary of State Hillary Clinton met with her counterpart in Riyadh and the GCC General Secretariat in March 2013. And we were glad to see in the fall of 2013 Secretary of State also John Kerry hosted the meeting for his counterpart, and also in Manama the dialogue in 2013, Secretary of Defense Chuck Hagel asked for the expansion of the forum to include, for the first time also, the Ministers of Defense from the GCC states.

In my opinion, these high-level meetings and gatherings are important for us to be reassuring each other of the commitment and the reliability of this. In my opinion, important strategic partnership and not relationship. The GCC countries are the only ones who are now participating actively in bombing Da'esh in Syria. At the forefront for a strategy I think that really needs to be more coherent and more transparent. But nevertheless we are an active participant, and that shows the reliability of the GCC states as forces of moderation and of reasoning without costing the United States a penny. Today I read the Pentagon has announced since August 8th the bill of bombing Da'esh – \$580 million and counting.

I end by saying the GCC states themselves also – we need to get our house in order. There is a rift within the GCC states, and hopefully that this rift will be overcome. Things seem to be heading, in my opinion, towards some kind of reconciliation. The strategic partnership between the GCC states and United States is embedded in shared enduring interests, and the U.S. commitment to come to the defense of its GCC partners, we hope this will be the hallmark of future administrations also, regardless of if a Republican or a Democrat will come to the White House.

This strategic partnership also needs to be appreciated and understood by both sides. There is more room, in my opinion, for convergence rather than divergence over the strategic issues that could undermine the national interests of the GCC states, especially dealing with Iran, for instance, and not including Iran meddling

in the affairs of the GCC countries and other Arab countries to undermine the stability and security of that region and the United States interests.

Finally, the United States and the GCC states have invested for a long time in this strategic partnership in order to have stable and prosperous Arabian Gulf region. Both sides have more to lose than to gain if their shared interests are not harnessed into a shared agenda to reset and reinvigorate this strategic partnership in the long term.

Thank you very much.

[Dr. John Duke Anthony] After Dr. Abdulkhaleq Abdulla speaks, we have Dr. Abdullah El-Kuwaiz to his immediate left, a former long-time associate Secretary General for Economic Affairs of the GCC, who drafted virtually all of its first fourteen years economic resolutions. Formerly President of the Arab Monetary Fund, the other organizations, leadership roles with the Islamic Development Bank, Ambassador to Bahrain. We're lucky to have him here.

[Dr. Abdulkhaleq Abdulla] If you haven't noticed yet, this panel's packed with Abdulaziz and Abdulkhaleq and Abdullah and Abdulla. There's five. So it's a bit confusing maybe. They are all slaves of God; so don't get intimidated in here, please.

This is my third participation in this annual conference, and I'd like to just thank John, and I hope to make it to the fourth year so it becomes officially graduation day for me next year.

Let me just highlight a few things in addition to what you just heard from regional experts, maybe limit myself to three comments.

One has to do with the current state of U.S.-GCC relationship, that's going to be my first comment. The second comment, I will try to talk about why the six GCC countries - why the GCC countries have decided to be on the right fight against ISIS, Da'esh. And my third comment briefly is going to highlight the new challenges and the new dynamics in Gulf politics. So three points. I'll try to go over each of them very briefly in this fifteen or ten minutes that I have.

Starting with the current state of U.S.-GCC relations, which is the annual topic of this conference, and I think what I see here, I see a lot of evidence - there is a lot of evidence on the ground that the once unbreakable bond between GCC and the United States is weakening by the day. Plenty of evidence that the bond is weakening, not strengthening, and let me be the brave soul to announce what I call if there ever was a golden era in U.S.-GCC relationship, let me announce it

right here and now – there is an end to it these days. There is no more golden era in U.S.-GCC relationship, certainly not the past six years of the Obama Administration.

So we have a relationship, a working relationship, but it is certainly not going through one of its best times. Maybe the best time was during the 1990s, 1991, etcetera. There's one example of the golden era of U.S.-GCC relationship.

Why is this happening? Fundamentally, if there is one good reason, one reason that I could bring to your attention is that the U.S. no longer commands the deep respect, the deep respect that a superpower should command. I don't think that is there anymore in the relationship. You don't see it in the public, you don't see it in the elite, you don't see it among government officials. The deep respect for America as an impressive superpower is no longer there in the relationship, and I think without that deep respect you cannot command the attention of the region, and you cannot see the GCC as willing partner as they used to be probably.

I think this is due to the bad performances that we have seen. The United States did poorly in Afghanistan, disastrously in Iraq, inaction in Syria, and there is a fourth test these days – fighting Da'esh, and let's see that the U.S. lives up to the expectation and restores that deep trust.

But there is also the second reason that the relationship is going through this difficult time probably, and that has to do with the fact that the six GCC states are growing by the day as more confident, as more independent, and for the first time are probably exhibiting and wanting to say no to America. A GCC that says no to America is a new GCC, by the way. A new Arab Gulf state is here which is much more confident, and it is for the first time in the mood for the post-American Gulf. I think the thinking of a post-America Gulf is sinking in and it's going to be a long process, not going to happen overnight, but the thinking is there and the mood is there. A post-America Gulf. And I think it's going to be a long process, but the process has already started at least in the thinking, at least in the discourse and the conversation.

And as a result what you have on our side in the Gulf is an attempt and a strategy to diversify our security portfolio away from the exclusive dependence on one superpower called the United States of America. It's not going to be achieved overnight. Maybe there is ten percent deficit in that reliance, maybe even twenty percent, and the Gulf states are trying to make up for the ten, twenty percent deficit on that exclusive dependence on the United States as the ultimate protector of Gulf security, as the ultimate protector of the small states in that troubled region. That's comment number one.

Let me move on quickly to my second comment, which has to do with the question why did the Arab Gulf state decide to be on the right side of the fight against this new beast, this new monster called Da'esh - Fa'esh as Prince Turki has called it this morning.

[\[http://susris.com/2014/11/01/prince-turki-al-faisal-on-regional-crises-auspc2014/\]](http://susris.com/2014/11/01/prince-turki-al-faisal-on-regional-crises-auspc2014/)

Why did they join in? And I think there are a couple of reasons for why they decided to join in so publicly as we heard it and in such a powerful way - not just publicly, but they have sent some of their best men and some of their best women to fight and to fly airplanes against Da'esh, which is completely uncharacteristic of the usually quiet, conservative, traditionally cautious Saudi Arabia, U.A.E., etcetera, etcetera. So why they have done that in such a public and big way? And I think the reasons for this are two.

One is that they participating on their own terms. They come to Washington and they said yes, we're going to come in here, but on our own terms. That's very important. And what happens is that Washington agreed. And now there is a test here.

Hopefully America will deliver, and hopefully America will fight a better war this time to restore the deep respect that is no longer there in the relationship. And we just have to fight it, and I think Da'esh is defeatable, but the United States have to put a better fight than it did in Iraq, than it did in Afghanistan, and the inaction in Syria.

Is there any guarantee that America's going to deliver? Is there any guarantee that America's going to fight a good fight? A credible fight? A fight to the very end? There is absolutely no guarantee, but we are in this together and let's find out by the end of the war if there is any end to this, a conclusive end to this. So that's why they have joined in. They have joined in specifically because they are in there on their own terms.

The second reason for the Arab Gulf states to join in is that this is again a sign of confidence. We are no longer shy of flexing our muscles, the little ones that we have of course. We are not shy to exhibit our not just soft power, but also our hard power, and we have a few of them, and go out publicly here and there and try to defend our interests and advance our interests in a very difficult region. So I think the second reason is a sign of confidence.

But the third good reason - a final one - a third good reason is that we are in this fight to put an end once and for all - to put an end to all the nonsense accusations that Saudi Arabia, that the Arab Gulf states are funding, aiding extremism in the

region. Here we are publicly fighting extremism. Forces of extremism have been unleashed in such a powerful way, and we are in the forefront of it. So these are the good reasons why we are in this, and let's hope that this time around we defeat forces of darkness that have been unleashed throughout the region.

Third, final comment - has to do with the new challenges and the new dynamics in Gulf politics. And I think there are old challenges and the new challenges, but what happened in the past four years since Arab Spring two forces have been unleashed in the most powerful way you could imagine throughout the region. Two forces.

Force one is forces of change which was unleashed in such a powerful way in 2011 and it is associated with the Arab Spring, and the intention of the forces of change is to end six decades of political stagnation and change government. That was force one. And I think we see now four years later that this force of change has been more or less contained, subsided, and the Arab Gulf states have come more or less resilient and immune more or less to forces of change.

Now, in the past six months we have seen a stronger, much powerful force that came about, which is forces of extremism. Islamic extremism, forces of darkness, forces intent on bringing havoc and the intention of this force is not to end government, topple government, overthrow government, but end nation states as we know it, as it has developed over the past 150 years. This force is really one not to challenge government but to challenge and get done with nation state as it has developed. They want to create the Ummah. They do not want to have borders any longer. So this is a much more dangerous, much more potent force that needs to be confronted.

So the region is in turmoil because of these two. There's plenty of uncertainty because of these two forces and the Arab Gulf states are in there trying to confront all this.

The good news for you and for us all - the Arab Gulf states have proven time and again they can survive it all, and I will assure you they are resilient and they're going to fight this fight, and they're going to also survive it. They have developed over the decades, over the years of being part of this very difficult region, they have developed their own recipe how to survive tough challenges. They have been through so many tough challenges. 60's, 70's, 80's, Iranian revolution, Arab nationalism, Arab Spring, bin Laden, terrorism, and they have survived. So do not underestimate the power, the resilience of these countries.

There is a new dynamic. Despite the Gulf rift that the Ambassador has talked about and you all know, there is a new dynamic - let me just finally conclude - is

this. There is a heightened coordination and cooperation between Riyadh and Abu Dhabi keep watching, keep your eyes focused on this heightened coordination between Saudi Arabia, United Arab Emirates. These two today are the new dynamics in the region. They call most of the shots. Of course in coordination with everybody else – Kuwait, Saudi Arabia, and even our maverick Qatar friend there. But they call the shots. They are the ones to watch.

This is the new dynamic in the region. U.A.E., Saudi Arabia. If you're looking for the new dynamic in the region, this is the new dynamic. The politics, the 2014 Gulf politics are decided by these two countries, which are living the best of their time and their relationship. If there is ever a honeymoon, this is a honeymoon, and let's hope that it lasts longer than one month. Maybe it will last hopefully longer.

Now, of the two – and since I come from the U.A.E. I have to end up saying that it is the U.A.E. which is the bolder, which is the more assertive, which is doing most of the job there, and I think if you want to call a capital, call Abu Dhabi more than any other capital in the region today and you will hear the response. They are the one, if you want to get things done in the region, call the number in Abu Dhabi and you can bet your money safely on that number, okay.

So, gold days of U.S.-Gulf relationship are gone, maybe forever. Second, I think you have to get used to Arab Gulf states that are assertive enough in general, that can say no to Washington, and probably impose their own terms on whatever goes on. And thirdly, there are plenty of challenges, old and new, but there is also this new dynamic.

Let me just bring the final message to your attention from the Gulf. We just have to do our own fight from now on. And I think if we see a reluctant superpower we just have to do it on our own, and that's the way it's going to be from now on. Thank you very much.

[Dr. John Duke Anthony] Four extraordinary presentations. Now we have Dr. Abdullah El-Kuwaiz.

[Dr. Abdullah El-Kuwaiz] Good afternoon everybody. Don't feel bad Mr. Chairman that you forgot to introduce me earlier, it's okay. I was in a conference four months ago with present Prime Minister of Turkey and the Minister of Finance of Saudi Arabia and they forgot to call me to the podium. So don't feel bad, it's okay. I have been used to that.

First, I want to make one point actually in the previous meeting regarding GCC, especially when Mr. Katzman made these categorization how to divide GCC states. And now Ambassador Seche gave me a better excuse to talk about it now.

The founding father - and by the way Abdulkhaleq, the GCC charter was signed in Abu Dhabi, so it's no surprise we call it that. The founding father of GCC called it Gulf Cooperation Council. It is cooperation among sovereign states. They didn't call it United Gulf Council. They called it Gulf Cooperation Council among sovereign states, and they had in mind the sovereignty issue for a number of them that came out of colonization or protector or civil war in the case of Oman. So the sovereignty issue was very dear to them.

The challenge is not to work as a group, but how to bring stability and security to their members. And as you heard from Abdulaziz and from Abdulkhaleq, since the creation of 1981 GCC has been stable in spite of all the wars and revolutions around us, and this is the big challenge.

Now, yes - we haven't gotten a unified currency. Unfortunately we tried like what we did to imitate the European Union's and we started this currency issue. In the middle of the process the Europeans discovered that they made the mistake and we are taking a pause, and thank God, we are taking a pause. So the challenge is security. We have been maintaining it.

Now, a second issue that I want to touch upon is our relation with the United States, especially our economic relationship. During George W. Bush they came up with a concept called "creative chaos," and they tried to break up GCC economically. And they pushed countries to sign free trade agreements with the United States. Bahrain was the first, Oman was the second, United Arab Emirates, the negotiations didn't go very far, and the idea was to break up the GCC. The agreements that were made gave better treatment to the United States more than the treatment that each and every member has given to the other member.

So I wish George W. stayed in the Gulf of Mexico rather than GCC when you said that he was bringing up the name of GCC. And by the way, Ambassador Seche, the trade among GCC members, if you take out the oil sector it will be over forty percent, which is not too far from where the intra-trade among the E.U. So I don't know where you got your numbers.

And I have a suggestion. And the suggestion - United States successfully negotiated North America Free Trade area. Now they are negotiating with the E.U. free trade area, and with ASEAN free trade area. Now, United States is our major trading partner. Why in the name of God couldn't we sign a free trade area between the United States and GCC? Both markets are very active. And we notice in 2007, 2008, and 2009 that American businesspeople were just running away to airport. We used to have a joke in 1990 when Saddam invaded Kuwait that the fastest train in the world was a Japanese going to the airport in GCC. Now we saw

the Americans are even faster. So I think it is about time that we both put our houses in order and sign a free trade area between GCC and the United States.

As a matter of fact, we are even suffering from your monetary policy. There was a study made just last week by the IMF here next door saying that \$780 billion left the GCC because of the American monetary policy. Now, it is about time that we sit down and we negotiate our economic and monetary relations like what Abdulaziz emphasized regarding the bonds, regarding the American dollar and using it in our trade transactions, and we agree as civilized people on how to go forward.

Thank you.

[Dr. John Duke Anthony] Thank you, Dr. El-Kuwaiz. We have quite a few questions, and I will stand and ask them, and then maybe each individual who would like to respond can give me the finger so to speak and I'll call on them in the order that they do that.

How has the United States-led nuclear talks with Iran challenged U.S.-GCC relations? What difference have they made? We hear that there was angst because the U.S. did not try very hard to have a GCC representation in the talks, if only as auditors. For example, if Russia or China were trying to have a strategic treaty with Canada and the United States were not allowed to be auditing the meetings, this would be seen as outrageous. You were shunned in this regard. We're told that the U.S. asked Iran and Iran said no, and so the U.S. said okay, and left you out. Anybody want to take on that question? Dr. Sager?

[Dr. Abdulaziz Sager] Well I think the concern of course if negotiation takes forever we need an end for that negotiation and we need a precise time and what are the deliverables. We are in agreement as I said with what the P5+ 1 will come out as a result of that, but it cannot go forever because Iran started with a simple enrichment and then they went up to twenty percent enrichment. So they use time for negotiation to prolong and to get a major. What we are worried from that when Iran will come say look, we are advanced enough that we cannot stop it. We are there so then everybody has to accept the consequences of that.

[Dr. John Duke Anthony] Alright. Yes, Abdullah, and then Ambassador Seche.

[Dr. Abdullah AlShayji] Yes. Even within the GCC states there are two divergent views regarding the participation of the GCC with the P5+1 plus 1 because we were taken aback when we found out the Americans, our allies, were negotiating covertly with the Iranians since March 2013, and that was six months almost before President Rouhani, the moderate, took over the office of President of Iran, and of

all places it was in Oman, in Muscat, and in Geneva. And we were the last to know about these secret negotiations behind our backs, and as allies of the United States we were supposed to be briefed or aware of what's going on. This is number one.

Number two, as I said in my speech, the issue of treating the – being obsessed with the deal, Obama Administration obsessed with a nuclear deal with Iran and not taking care or discarding or not listening to the GCC demands that also should be on the table, part and parcel of the deal is also to contain Iran, to stop Iran's shenanigans and involvement and the meddling in the affairs of its allies in the GCC countries to the level that the Iranians are boasting now that they have domination over four Arab countries, two of them bordering the GCC states – Iraq in the north and Yemen in the south.

So these are the issues that really are concerning us regarding where this negotiation will lead, what kind of Iran are we talking about, and the nuclear deal with Iran would embolden Iran not to come back as the Americans keep telling us and later on we will discuss the issues that are concerning the GCC. What guarantees are there? If Iran will get a deal with the Americans and with the P5+1 over its nuclear file, then Iran will be the agent that played the role of guarantor of security from its perspective, fighting terrorism, fighting Da'esh. Ironically enough, Iran is on the list of the United States countries that support terrorism. There are a lot of contradictions in this regard. Thank you.

[Dr. John Duke Anthony] Ambassador Seche.

[Ambassador Stephen Seche] No, I'm good, John. I think Abdullah pretty much covered what I was going to say.

[Dr. John Duke Anthony] Here we've got three that involve Palestine-Israel. How, if at all, has the U.S. strategic relationship with the GCC countries impacted its relationship with Israel, given that Israel lacks the geographic depth and diversity of the GCC countries? You don't have to fly over it, run through it, jog through it to get to any place of significance globally, and it has no strategic minerals – oil or gas – nor does it have water.

How do you see this closing of the partnership and the relationship, and the mutuality of the benefit, and the reciprocity of reward that the two can have and are having – sovereign wealth funds remaining wedded to the dollar, etcetera. Dr. Al-Kuwaiz, do you want to have first whack at that because you mentioned about the free trade agreement? How realistic is that? The European Union sought one, did it not, from the late 80's on, and had annual meetings, but it came to naught. What lessons are there in this?

[Dr. Abdullah El-Kuwaiz] Well I think first of all our experience with the European Union was very long and very painful, and came out almost to nothing. It has started since 1986, the negotiation, and it started because the Europeans wanted to put in a trade agreement some issues that are not related to trade at all, mainly human rights and rights of women, which there are institutions – we don't mind talking about them – but the place of them is not a trade agreement.

Now, regarding the relationship between the United States – the economic relationship between the United States and GCC, I think it needs more formalization. There is a strategic meeting every year among ministers, and ministries come and go to all the capitals every month, but I think we have to put it on its right keel similar to the same approach that the United States is doing with other groupings.

We are not asking for the moon. We are asking to be equal with the Europeans, with the far-Easterners, and we are a major trading partner of the United States, and there is in it for everybody. There are the resources, there is the big market. We don't want to see only the military industry in our countries. We want to see everybody, everybody's work with our countries to come and benefit with us, and also we want to learn from them.

[Dr. John Duke Anthony] In the interest of time I'm going to read about four or five questions, and listen carefully. If you want to answer one of them just give me the finger again and I'll recognize you.

Who would talk about what's going to happen to the GCC with its railways? Saudi Arabia is booming with railways. Qatar is announcing doing railways. The Emirates are doing railways. We don't know exactly where it will end up in Oman, or maybe we do.

What will this do to the economies, to the peoples, to the geostrategic, geoeconomic relationship and significance of the region? Dr. Sager, you want to go first?

[Dr. Abdullah El-Kuwaiz] No, I want to talk – I want to talk about the economic dimension because it is I think – this is why it is built. And one important economic dimension is the volume we consume in energy in transportation. For example, if you look at a country like Saudi Arabia where ten percent of our GDP is paid as subsidies for our consumption of energy, the railroads will save a lot of money because we have over 120,000 trucks just going back and forth inside each GCC countries and across the border. I think this will be cut tremendously. It will contribute to the, first of all saving of energy, second more integration, third it will facilitate – one of the issues we now face we could not solve, is the border crossing.

I think having a railroad that you will have to create from where it starts. So I think this will integrate people and trade more in the GCC.

[Dr. John Duke Anthony] Alright. Dr. Sager, do you want to add to that?

[Dr. Abdulaziz Sager] I think most of the quote has been mentioned.

[Dr. John Duke Anthony] Alright. Yes, Abdullah, please.

[Dr. Abdulkhaleq Abdulla] I didn't raise my finger, but I think the railway is just one of the many aspects of integration that has not been paid enough attention to. It's one of those pillars of Gulf integration. It's going to create massive, massive opportunities for further integration. And I think I'll take this opportunity to just elaborate that despite the Gulf rift, despite the dispute, despite all the confusion on the political aspects of Gulf integration, there is a whole lot of aspects of integration that is going on while we're having all these disputes, and the railway is just one of them, which tells you and should say a lot that Gulf integration is well and alive and ticking and it's not dead just because we have some problem over there.

Yes, the political leg of the Gulf integration is having problems, and 2014 has not been the best year for Gulf integration, but if you go to Riyadh, if you go to the general, the secretariat, you would see that Gulf integration works through 46 different ministerial councils, some 370 different technical committees that work 24 hours a day, seven days a week, 365 days a year. Seven hundred different meetings every single year. Thirteen thousand Gulf officials meet in Riyadh and other capitals to hammer out the different aspects of integration. So for Ambassador Seche to come and say Gulf integration is going nowhere, I think he needs to readdress some of the things he knows about the GCC.

[Dr. John Duke Anthony] Thank you, Abdullah. No further comment from here.

Back to Iran. What would be the likely strategic and military implications for the GCC region were Iran to acquire the means to produce and deliver a nuclear weapon? I've heard people say it would change balance of power immediately overnight and irrevocably. Or it's your neighbor with whom you had acrimonious relations got a shotgun and you didn't get a shotgun yourself, you'd be seen as a fool.

So Iran related question. And what if the U.S. or Israel were to strike Iran? So these two aspects of the Iran question. I've heard you address this before, Dr. Sager. Would you please?

[Dr. Abdulaziz Sager] Well, Iran for us is its intelligence power, rather than being a military or a strong military power. The reason they've used that intelligence mean to establish cells in the Gulf region. We had one in Kuwait, Iranian cells in Kuwait, Bahrain, and in Saudi Arabia. But when it comes to their conventional military they stand not a bad chance. If they move to military, if they move to nuclear deterrent, it's easy to offset that by three different means.

I remember Secretary Clinton, when she was in a visit in Thailand, she said United States will be willing to provide a security – she did not say nuclear – she said security umbrella for the region. So you can go to some of your friends and ask for an umbrella to offset an Iranian deterrent and threat by the nuclear means, or you can acquire a sort of special relations you have to some of those countries, a joint use. America did that for Germany for many years after the second war.

So if Iran decide to be a nuclear deterrent, I find it much easier to deal with and to offset that one. If they want to enhance more of their conventional military, which of course takes much more time, much more effort – they need to put up a lot, particularly in their air force. What do they have to do is what we call fire and forget missiles. We don't know where they will end up. Yes, they come up with everyday technology. They announce many things. They publish it on the TV, but there is no independent viewing of that capability, there is no independent sources that say this is accurate, this is correct, this is really something. It's their word against the rest of the world's word. So if you believe them in what they say that's fine. So I don't think from my point of view that we see Iran – if it leads to that point where Iran have a nuclear deterrent I think the rest of the world have to worry.

This is why we are a bit relaxed when we see the P5+1 taking the negotiation. The only concern we have is the prolongation and the taking time until it reach to the point that it's difficult to retreat and whether the American or Israeli will do a strike in Iran officially most the GCC countries – and I use the word officially – have said no, we will not provide land or sea or air as a support for any strike like this, but if somebody decides to fly over and we don't have our AWACS that day in operation, what can we do?

[Dr. John Duke Anthony] Abdullah, and then Ambassador. Abdullah, in your remarks – what people do not know about Kuwait and nuclear issues, and I didn't know this until Kuwaitis told me at the last summit – in 1986 when the Chernobyl accident happened in the then-Soviet Union, some 200,000 people had to be relocated, and the U.N. Secretary General called for countries that would subsidize the cost, and Kuwait was one of them as it often has been, and those countries elected Kuwait as the president of the chair of the commission that was responsible for that. So Kuwait has been involved with nuclear issues, certainly non-stop since

then, and there have been other Kuwaitis who have talked about the reactor at Bushehr that Iran, which has so many earthquakes in its history, were it to have one in that place or near it, how catastrophic or dangerous would the effects be?

[Dr. Abdullah AlShayji] We are living in the eye of the storm, especially Kuwait. We are only like – from Bushehr only 270 kilometers – that’s I think 150 miles away. Our fear is not Iran becoming nuclear. Iran’s nuclear program or project is means not an end in my opinion.

Iran wants to leverage its nuclear program in order to get concessions from you guys and from the international community to admit that Iran is a major power to be reckoned with, and to deal with Iran with respect. Iran has been suffering from Rodney Dangerfield, no respect in the region. It’s not part of a security architecture, it’s been ignored. For its size, its power, its capabilities, it hasn’t been given the right approach.

Our fear is not a nuclear Iran. Our fear is more like a nuclear meltdown, fallout, or an earthquake because Bushehr, for instance, is at a fault line and a lot of earthquakes keep hitting that region and that means that we are really in big trouble because we don’t have rivers with freshwater, we have the largest desalination plants all over the Gulf from Kuwait to Oman. That’s really our fear. Our fear is if Iran because nuclear – as you know nuclear arsenal is not an offensive weapon. It’s a deterrent weapon. It’s a weapon that will get you respect, will put you on the map, and will make you powerful. The fear is that how Iran would use its leverage of nuclear – if and when Iran becomes nuclear – to intimidate and to get concessions from GCC states that it wouldn’t have gotten without its nuclear arsenal. And that could escalate into GCC countries – Saudi Arabia is on record – will become a nuclear power. If Iran becomes nuclear, we’re going to become nuclear. I heard that from Prince Turki himself in Saudi Arabia in a speech a couple of years ago. So this is the fear. You’re going to have nuclear escalation. You’re going to have a nuclear arms race in the region.

With Obama Administration, you could really – don’t count on a military strike by this president who doesn’t have the guts to send troops on the ground to fight Da’esh or to launch another war. In his doctrine he doesn’t believe in wars. So we do not see a war at hand if the nuclear negotiations now taking place in Geneva within a month from now should reach some kind of a deal.

Iranians are now hurting badly because of the economic pinch that they are feeling. They need to sell their oil at \$147 a barrel to break even. And that is the thing that brought them to the table. The Iranians would like us to believe that the election of Rouhani is what brought them to the negotiating table. We believe that is not the case. The guy who calls the shots in Iran is El Morshed Ali Khamenei

and not Rouhani with all his nice smiles and moderate stance. He's not the one who's calling the shots. So the issue of nuclear Iran is an international concern rather than a GCC or regional concern only.

[Dr. John Duke Anthony] I'll come to you, Ambassador Seche, but I want to have Abdulkhaleq an opportunity here to do two things. One is what's driving the Abu Dhabi dynamic and dimension that you allude to, joined with Saudi Arabia as the drivers of dynamism here of late? And if you care to comment what's driving the animus between Abu Dhabi and Qatar?

That's for you to ponder for a second, and I just ask these others and see who wants to answer them. How might the expansion of the GCC's membership bring with it more negatives than positives? Allusion to Jordan, illusion to Morocco, and some others who are all aware of how it was founded, Yemen and Jordan and Iraq. So that's a question. And then ISIS. Who funds ISIS? And wasn't there recent effort within the GCC to find out who does fund ISIS and to clamp down on it?

[Dr. Abdullah AlShayji] Ransom, oil, antiquities. They sell oil, they have ransoms, antiquities they sell. Plus donations.

[Dr. John Duke Anthony] Okay. Abdulkhaleq has the floor, and then Ambassador Seche.

[Dr. Abdulkhaleq Abdulla] Yeah, I'd like to respond to both of these issues, John, and very briefly before I do that let me just briefly go to the nuclear Iran and say that Iran is taking us in the Gulf into this very dangerous path which is the nuclearization of the Gulf security profile or portfolio. The nuclearization of the Gulf is Iran's responsibility. It is the state that is taking us into that direction, and it is going to be qualitative – even if Iran does not develop the weapon, just the thinking of developing a nuclear capability, developing all these missiles capable – deliverable missiles. It's just this nuclearization of Gulf security we have not seen in the past 40 years, and Iran is entirely responsible for that, and from everything that I know the Gulf states intend to match Iran dollar by dollar, weapon by weapon, and it's going to be a very dangerous zone. It is already dangerous, but it's going to be ten times, 100 times more dangerous if Iran really develops its nuclear capability. This nuclearization of the Gulf is not our problem, it's the international community's problem, so they have to stop Iran from going to that road by any means possible, short of war of course.

Going back to your questions. Abu Dhabi – why is it so active in this past four or five, whatever years? I think the fundamental reason for that is that Abu Dhabi wants to project itself as a force of moderation in the region. We have lost moderation. There is so much extremism in the region. The region is full of forces

of extremism, and I think the U.A.E. finds that probably the U.A.E. and the Gulf have to project moderation, and they want to make sure that the Arab world is a moderate Arab world rather than an extreme Arab world, which is not going to be to anybody's benefit. If there is one capital which is a capital of moderation today, Abu Dhabi is, and it is investing so much into trying to preserve forces of moderation in the region.

And I think the second reason for the U.A.E. being so active and assertive and going around doing so many things is that it really values stability more than anything else. This is a region that is full of uncertainties, full of instabilities, chaos, as I said forces of changes and forces of extremism and radicalism there, and somebody has to defend stability in this region, and I think this is the fundamental reason behind U.A.E. coming across as being assertive and bold and taking initiatives.

The Qatar-U.A.E. problem - it's a problem, okay, and there is some good - not good reasons, but reasons for that are the following. It all boils down to views about the Muslim Brotherhood. I think that's fundamentally what is at stake. Qatar thinks the Muslim Brotherhood as being moderate, as being an asset in the region, whereas Abu Dhabi, U.A.E. think that Muslim Brotherhood are one of those forces that are not status quo forces, that are forces intended to change, forces that are not moderate as many of you here probably in the western capital probably think, and hence they are not an asset, they are a threat. And here we have a fundamental breakdown on the perception of a force that is on the rise, which is the Muslim Brotherhood. We think in the U.A.E. that they are a threat to the status quo, a threat to stability, they are intent on creating a world government, whereas Qatar think they are an asset and they are force of moderation, and I don't think we are seeing eye-to-eye on this issue, and this is where most of the problems are coming from. John.

[Dr. John Duke Anthony] Thank you. Ambassador Seche. This will be the last one unless someone wants to elaborate on the ISIS aspect. And Dr. El-Kuwaiz on the expansion of the GCC, but first Ambassador Seche.

[Ambassador Stephen Seche] Yes, just for a second on the issue of how the Gulf states may or may not respond to a successful P5+1 outcome, and I think that it's been said already that either way we're going to see the Gulf states develop an equity, and I think Prince Turki said as much today. He said we welcome a deal. Whatever that deal is for Iran would be the same terms we expect to receive for our own industry, and that means in terms of both enrichment, whatever that happens to be, or in terms of any armament. And I suspect we would see Saudi Arabia at least move towards acquisition of a nuclear weapon if it was conceived that Iran was in that position.

Now, on the issue of what would happen if there were an actual attack on an Iranian facility by anyone – U.S., Israel, anyone. I firmly believe they would not see a formal response by Iran. We would see an asymmetrical response. We would see terrorist attacks in the region. We would see things that would be easily undetectable, or at least there would be some question as to who was responsible. It would not be a formal tit for tat in any respect.

[Dr. John Duke Anthony] Okay, thank you. Abdullah El-Kuwaiz on the enlargement of the GCC. What benefits or deficits would it bring?

[Dr. Abdullah El-Kuwaiz] Well, it shows two things. The call for enlargement – it shows two things. First of all, the dynamics of the organization – it's very lively and ticking. Second, the inclusiveness of GCC that it is not a closed club. Yemen was almost to become except for when the security in the country collapsed. Everybody was ready to accept Yemen. Now, when we saw the Arab system collapsing the leaders of GCC looked at who is the most stable in the Arab countries – Jordan and Morocco – and they call for Jordan and Morocco to join, to share the wealth, to share the prosperity that GCC has, and also to contribute more to the stability of the region. But it shows that it is open to new ideas, and it is vibrant. Thank you.

[Dr. Abdulaziz Sager] Plus Jordan in 1995, they applied to join the GCC. So in reality Jordan much earlier have applied and they wish to join, and instead of the expansion I think then the GCC decision was let's support them economically. Let's give Morocco the preferred country in terms of relation, more investment there, but then also support each one with \$5 billion to enhance their economic situation.

[Dr. John Duke Anthony] Would you not have to change the nomenclature? Because Jordan's not a Gulf country, Morocco's not a Gulf country; Yemen's not a Gulf country.

[Someone] Because of that it didn't fly.

[Dr. John Duke Anthony] That's right. Also in the charter of the GCC it talks about countries with a shared history, common culture, and similarity in terms of forms of government. Iraq's government overthrew a monarchy.

[Someone] John, it was a trial balloon. It didn't fly.

[Dr. John Duke Anthony] And Yemen's government came to pass overthrowing a monarchy, so that would've ruled them out on those grounds alone.

Please join me in thanking these fantastic speakers.

###

*Transcription services by Ryan&Associates
www.PatRyanAssociates.com*