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IRAQ AT A CROSSROADS

WITH

BARHAM SALIH DEPUTY PRIME MINISTER OF IRAQ

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Introduction and Moderator:

MARTIN INDYK Senior Fellow and Director, Saban Center for Middle East Policy The Brookings Institution

Featured Speaker:

BARHAM SALIH
Deputy Prime Minister of Iraq

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PROCEEDINGS

MR. INDYK: Good morning, ladies and gentlemen. Welcome to The Saban Center for Middle East Policy at the Brookings Institution. I'm Martin Indyk, the Director of the Saban Center, and it's my pleasure to introduce this dear friend, Dr. Barham Salih, to you again. I say again because, of course, Barham Salih is a well-known personality in Washington, having served here with distinction representing the patriotic Union of Kurdistan in the 1990s, and, of course, he's been a frequent visitor since he assumed his current position as Deputy Prime Minister of the Republic of Iraq.

He has a very distinguished record as a representative of the PUK, and the Kurdistan regional government. He has served as Deputy Prime Minister, first in the Iraqi interim government starting in 2004, and was then successfully elected to the transitional National Assembly during the January 2005 elections and joined the transitional government as Minister of Planning.

He was elected again in the elections of December 2005 to the Council of Representatives, which is the Iraqi Permanent Parliament, and was then called upon to join the Iraqi government in May 2006 as Deputy Prime Minister.

Throughout this period he has had special responsibility for economic affairs. I think you may know that he was the subject of an assassination attempt only last week, so we're very glad to see you here, Barham, in good health, and may that be true for many years to come.

Before I invite him to the podium, I just want to welcome also the

Ambassador of Iraq to the United States, Ambassador Samir Sumaidaie.

Welcome, sir. Good to have you here.

Barham, please. Barham will speak to us for a few minutes, and

then we're going to have a conversation. Welcome.

MR. SALIH: Thank you, Martin, and it's always a pleasure to be

back at the Brookings Institution, and it's always a pleasure to meet so many

friends at the speaking.

I'll try to speak briefly and leave most of the meeting for the Q&A.

I'm sure there are many interesting questions and comments that I and the

audience would like to deal with.

Ladies and gentlemen, there is no denying that Iraq remains the

focus of attention both in the region as well as in the international community,

and there is also no denying that the continued violence and the slow pace of

progress in Iraq have been a source of deep frustration for the people of Iraq and

the friends of Iraq.

Having said that, one has also to acknowledge the progress that has

been made in Iraq; definitely in recent months, there is a tangible improvement in

the security environment. I do not want to underestimate the challenges ahead in

the security arena, but there is no denying also that the security dynamics have

changed for the better, at least in many important areas of Iraq.

A year ago many of you would have deemed Anbar lost to the

terrorists; now Anbar, for example, is denied territory to Al Qaeda. I, personally,

have been to Anbar on three occasions over the past two months, and one cannot

escape the changing mood and the changing dynamics in a place that was until so

recently under the control of Al Qaeda and its surrogate organizations.

Many districts of Baghdad that were controlled by the Islamic

State of Iraq and Al Qaeda affiliates are now denied territory to Al Qaeda.

Districts like Amaria, Gazalea, Adamia, have witnessed a fundamental shift in

attitude of people. Pride and community leaders and communities in these

various neighborhoods of Baghdad, Anbar, Diyala are taking the fight against Al

Qaeda.

The changes in the security environment I would attribute to,

definitely, the surge, the increased number of American and coalition troops in

Baghdad and other districts that has helped us create the environment to engage

the communities and helped the communities move against Al Qaeda. It also can

be attributed to the improved capabilities of Iraqi Security Services.

I want to remind you that when we assumed sovereignty in 2004,

the number of Iraqi troops and policemen were just at a minimal level. Now was

can talk of at least 300,000 and maybe more Iraqi troops and policemen, and their

training and equipping is getting better and better in terms of the quality of their

performance. Many of the districts of Iraq, many of the provinces of Iraq have

seen transfer of security responsibility to the Iraqi sides. The Iraqi forces are in

the lead in many districts and many provinces of Iraq. Karbala -- I think the

province of Karbala will be witnessing that in short period of time.

In terms of economic performance, I want to also point that there is

some progress in the economic area. Over the past year, we have witnessed

budget execution by government agencies at the rate at least twice that it was two

years ago thanks to the policies of our independent Central Bank. And I want to

point out that the Governor of the Central Bank is with us. We call him our Alan

Greenspan. He has been able to [effect] a tight monetary policy, sometimes

against the wishes of the government, to help us fight corruption -- fight inflation,

sorry. I will come to corruption later on as well.

Inflation was once rampant at the beginning of this year and last

year, and we were fearing hyperinflation. It now has been brought to some

control, I would say. The core inflation figures at the beginning of the year were

of the order of 35 percent; now we can say that it is about 14 percent.

Budget execution, as I said, has improved in tangible ways, and at

least twice the rate this year compared to a year ago.

Unemployment has come down, according to various figures from

both the government Statistic Bureau as well as the World Bank and others, can

be at -- they're pointing to a figure of about 19 percent. This is a significant

reduction of what we had compared to a year ago.

Construction activities are increasing, certainly, in many of the

provinces. This is a very significant story. This year in 2007 Budget, we have

made a point of allocating budgets directly to the provinces to the local

authorities. \$2.4 billion was distributed among the various provinces of Iraq based

on population, and what we have witnessed is that these locally-elected authorities

are far more capable in implementing construction projects and providing services

for their constituents than the national government.

The national government is definitely challenged by the security

environment, that it is also challenged by bureaucratic in their share corruption

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and a whole host of other things that goes with governments in that part of the world. This has been quite an interesting experience, and we intend for 2008 Budget to allocate significantly more resources for the Provincial Development Fund and to making sure that local authorities are able to deliver for their people and provide the funds needed for construction and issues like education, health care, and basic infrastructure water and sanitation.

But having said that, we still have daunting challenges in the economy. We are yet to attain the potential of Iraq as a major oil-producing and exporting country, and not to mention also the need to empower the private sector, the bureaucratic inertia, the legacy of a socialist command economy, and also corruption and political instability have been impediments to achieving the economic reforms needed to unleash economic potential.

Having identified these challenges, I want to tell you also that a year ago when I came and spoke at this forum, I spoke to you about the international compact with Iraq. This was an initiative that was launched by the Government of Iraq with the United Nations with about 400 benchmarks, primarily economic benchmarks dealing with fighting corruption, economic reforms, administrative reforms, banking reform -- you name it. The United Nations has declared about two months ago and the midterm report on the developments of the compact that Iraq has made progress on about 75 percent of the 400 benchmarks that were outlined in the compact, in the International Compact with Iraq.

Regrettably, this would not receive attention from the international

media. Usually, the focus is on the negative stories about benchmarks that have

not been achieved, not the ones that we have made progress on.

I will turn my attention now to the politics. While I have identified

progress that has been made in the security area – and the economic area – I have

to admit that the progress has not been matched in the political arena. We still, as

different political Iraqi constituencies are debating, arguing, at loggerheads on a

variety of key political issues affecting the nature of the State of Iraq.

I want to warn -- and I've said the same in Baghdad -- that unless

we do the politics right, unless we do the required settlements on some key

political issues, the security gains and, for that matter, the limited economic gains

will be squandered and could easily be reversed. So while the surge could be

celebrated as a success, while the security dynamics that we have seen unfold in

recent times could be celebrated as a success, particularly the changes in the Arab

Sunni community areas and the attitude that they have taken against Al Qaeda, I

have to recognize that we need to really focus on the politics and making sure that

the framework, the political framework of Iraq will be one that will embrace these

improvements in the security area and make sure that they could be sustained.

We need to create a polity that will give all the communities of

Iraq and key political constituencies a state in the success of this endeavor in Iraq.

Iraq is a country in deep transition, profound transition. What has happened in

Iraq was a paradigm shift, and I want to counsel against expectations of quick and

easy solutions to the politics of the country because this is primarily a struggle

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about power and resources, and we are yet to reach the equilibrium and the

balance that will give the stability and sustain stability that we need.

My hope is that with improved security environment, this struggle

will go from the streets and from the car bombs, and from violence into one under

the auspices of our parliament and to our political process. But nevertheless, we

have some very key challenges that we need to do.

I want to say that Iraqis, we need a national pact that we will have

a fundamental agreement on fundamentals of the nature of the state that we live

in. We approved, about 12 million Iraqis have voted in an election and voted into

support and endorse a Constitution. But a community in Iraq have more or less

been not so happy with that Constitution. My sense is that since we want to live

in a country together, we need to bring others into this process, and I think there is

a lot of soul-searching about this matter.

For Shi'as and Kurds, we realize we cannot ignore the Sunnis, and

we have to bring them along. Many of the Sunni representatives have come into

the process and are part of the process, but they have attitudes that may not be

conducive entirely to what the majority, political majority in Iraq at the moment

want to see.

These are matters that we are discussing, the issues like federalism,

issues like oil, or issues like power-sharing. These are being discussed, and my

expectations in the months ahead, these will come to the fore because I think the

onus on us, as Iraqi political leaders, is to really come to the answers that Iraqis

need. My sense, judging from experience on the ground, people have had enough

of the violence. People have had enough of this unrelenting cycle of conflict with the sectarian of Al Qaeda, and people are looking for a way out.

I believe we have an opportunity in Iraq today. I do not want to underestimate the challenges. Four years on from liberation, many Iraqis realize we have no option but to live together, and we have no option but to working out our differences. I don't want to be naive and idealistic and saying that this will be a smooth road ahead, but I think, given what happened in the security environment, given what happened in Anbar in particular -- again I want to remind you a year ago many people, including many Iraqis would have conceded Anbar lost to the terrorists; today Anbar is denied to the terrorists. That means, in my opinion, success is possible in Iraq, albeit difficult.

Iraq is also part of this region. We are -- what we do in Iraq is of consequence to the rest of the region, and everybody has a stake in what is happening in Iraq. We are, obviously, whether we like it or not, we are affected by the dynamics with Iran, between the West and the Iranians. That has immediate repercussions to our own security, our own stability.

The dynamics between Iran, the Arab world and Turkey also affect us. In recent days, no doubt you have been watching what is happening across our borders with Turkey. Turkish parliament has recently passed a legislation or a resolution allowing the Turkish military to go across the borders of Iraq in pursuit of the PKK. Needless to say, we are monitoring the situation very closely. We are in touch with our Turkish partners, and we want to emphasize to them that any unilateral military action will cause irreparable damage to our bilateral relations.

We understand that there is a problem with the PKK. We

understand that there is a problem on the border security. This is a problem that

needs to be resolved for partnership and cooperation between the government of

Iraq, including the Kurdistan regional government and the Republic of Turkey.

We remind our neighbor, Turkey, that both sides have a common interest in

pursuing a resolution to these issues of security.

These are our problems as well as that of Turkey, and the agenda

should not be dictated to us, neither by those who seek escalating tension between

Turkey and Iraq inside Turkey nor by the PKK. I think both governments, Turkey

and Iraq's government, should have the wisdom to work in this issue without

being drawn into an open-ended conflict that will not be beneficial to Iraqi

stability and will not be beneficial to Turkish stability either.

And we look, no doubt, to our friends in United States and

international community at large to impress upon our neighbors that they need to

respect Iraqi sovereignty. Iraq is going through a difficult, tough transition, and

we definitely do not need extra problems to burden that transition.

Turkey will soon be hosting an important conference in Istanbul,

bringing together the neighbors of Iraq as well as the G-5 -- the P-5. The premise

of that conference is how the neighborhood -- how the international community

will work together with the government of Iraq to help stabilize Iraq and help Iraq

deal with the daunting challenges of security and politics that we have. And the

premise of that conference is neighbors not to intervene and not to interfere in the

domestic affairs of Iraq. It will be a terrible irony if our neighbors were to --the

neighbor hosting this conference will be the one that will be (inaudible).

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Having said that, we understand and recognize that Turkey has a

legitimate security concerns about the PKK. We as a government of Iraq and also

the Kurdistan regional government are committed to working with the

government of Turkey to making sure that our territory will not be used as a

launching pad for any attacks against our neighbors. This is a serious

commitment but needs cooperation between the two governments to dealing with

it. Unilateral action and threats will not do it; it will only help the extremists and

will not help those of us who want to build an enduring and good neighborly

relationship between the two neighbors, Turkey and Iraq.

With that, I conclude, Martin, and I would welcome any questions

and comments. Thank you.

(Applause)

MR. INDYK: Barham, thank you very much. I want to say what a

pleasure it is, really, to have you back here.

MR. SALIH: Thank you.

MR. INDYK: It has been a year since we've had you in this chair,

and your courage and leadership is greatly appreciated.

Let's start with Turkey, where you ended up in your talk. If I think

back over the last 10 years or so, Iraqi Kurdistan has managed to handle its

relationships with Turkey very well as opposed to previous times when there were

real problems with the PKK.

MR. SALIH: Umm-hmm.

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MR. INDYK: And Turkey intervened several times, I believe, in

the 1990s. What's happened? I mean, things seemed to be going so well. How

did this problem emerge again?

MR. SALIH: Well, one can identify a number of factors. I mean

there have been some important developments in Turkey. You have the election

of the new government in Turkey that is committed to good neighborly relations

with Iraq, to be fair. I mean and Mr. Erdogan and Mr. Gul are known to have

been keen on developing their ties with Iraq a well as Iraqi Kurdistan. One

wonders whether this escalation, whether by the PKK or other elements in Turkey

are aimed at disrupting that trend.

And also in that context, I have to say over the last four years since

the fall of Saddam Hussein regime, at the time when many people were afraid that

Iraqi Kurdistan will become a problem for Turkey, it became a major opportunity

for Turkey with enlistment and business opportunity for Turkish companies. I

mean, Turkish companies to operate in Iraq today, in Iraqi Kurdistan in particular,

have businesses in billions of dollars.

And I think, to be fair, many in the senior leadership of Turkey and

many in the senior leadership of Iraqi Kurdistan and Baghdad are keen on

developing these ties. But the struggle in our part of the world is always a

struggle between those who want to live in peace and harmony and those who

find opportunities in agitation and problems.

And we were very clear, both the President Talabani and President

Barzani were clear to -- that they would not allow the PKK to operate and disrupt

our relations with Turkey. But also, by the same token, we want to remind our

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Turkish neighbors threats and unilateral action will not have a cause, and if

security is the issue, security of the borders are the issue, there are ways by which

this can be done through the channels that we have agreed, primarily the Tripartite

Committee involving the United States, Turkey, and Iraq. We can work together

and establish a range of options and modalities by which this problem can be

resolved.

Threats of unilateral military action is problematic for Iraq,

problematic for Turkey and the region as well, and, Martin, I would say also,

given the very sensitive dynamics of Iraq and the precarious nature of regional

politics, Turkish military intervention in Iraq will be a precedence for others to do

so. And that is the last thing we need.

Turkish security and political interest lies in a stable, democratic,

federal Iraq. They need to recognize that. For them to come in, that will be a

major setback to this effort and will mean chaos and mean opportunities for others

to utilize.

MR. INDYK: I think PKK has been quite aggressive and quite

successful in its recent attacks, as recently as yesterday. Are you confident that

you are going to be able to -- the Iraqi government and federal government of the

Kurdistan regional government -- is going to be able to control this situation in a

way that will diffuse it?

MR. SALIH: We do not believe that military option is the only

option for this problem. And, frankly, we were gorillas ourselves before coming

to government in Baghdad, and we know how guerrilla warfare is fought. And

we were talking about very difficult terrain along the Iraq-Iran border, and let me

also remind the audience that we have PKK elements inside the borders of

Turkey. And had it been possible to deal with this militarily, it would be done.

I'm sure that the Turkish military would not have hesitated to do so.

I think dealing with this problem of the PKK will involve

cooperation between the two governments, including the KRG, and will involve a

range of options and cannot rely exclusively on military option. My worry is that

there are demands of the KRG and the Iraqi government top, quote, "fight the

PKK." That could well be a recipe for an open-ended conflict in which we will

not win and will basically destabilize the only stable part of Iraq. If the issue is

the stability of the border and denying access, this can be dealt with through

means and modalities that we, Turkey, and the United States can work it through.

The best thing that we can do now is to react to the Tripartite

Committee. This has been somewhat idle for the last few months. We need to

revive it quickly to making sure that this matter is moved away from domestic

politics of either Turkey or Iraq. We have a problem, we recognize that there is a

problem; we recognize the legitimate security concerns of our neighbor, Turkey.

But they also need to recognize our predicament and our difficulty. And at the

time we are fighting Al Qaeda, we are asking our neighbors not to intervene. We

cannot be expected to go on an open-ended warfare in the highlands and deal with

no end in sight.

We are very interested in good neighborly relations with Turkey,

but they should also recognize our situation, and they should recognize our

goodwill to dealing with this matter. Threats do not help the situation.

MR. INDYK: Has your government condemned the PKK?

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MR. SALIH: Of course it has. Iraqi government has and also the

KRG. To be fair, the KRG has also immediately, actually, issued a statement

denouncing those attacks and expressing condolences to the families of the

victims.

We -- and, Martin, I mean this part of the world has seen so much

conflict, really. People have had enough of this, but there are, obviously, people

who want to push you back. And again, I think those who want good neighborly

relations with Iraq and Turkey should understand that we, both the government of

Iraq as well as the Kurdish and bishop (?) in Iraq are keen and very serious about

good neighborly relations with Turkey. To push us into a corner and think that

we will fall for that trap is just not -- I'll be very honest and very direct -- but we

are serious about working with Turkey through the Tripartite Committee and

other measures in order to bring this issue to a resolution.

MR. INDYK: You mentioned that this is on the Iranian-Turkish

border. There are many people, I think, in the United States don't appreciate that

Iran has interests in Iraqi Kurdistan as well. What's the --

MR. SALIH: -- is an offshoot of the PKK called Pasjak as well

that is primarily with Iranian Kurdish constituency, and the Iranians are very

concerned about the activities of Pasjak along their borders, and they have served

notice to the government of Iraq and the KRG, and there were recently shellings

by the Iranian artillery of villages along the Calabruza area.

We denounced these actions and again, dealing with border

security is not easy. It requires cooperation between these governments instead of

trying to manipulate these situations by any of these countries.

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MR. INDYK: There's been a lot of concern here about Iran's

involvement in supporting military action supplying both sides of the insurgency

and the Shi'a militias with capabilities active on the ground creating problems for

the American and Iraqi efforts to stabilize the situation.

What's your view on that?

MR. SALIH: Iran is a player in Iraq and has equities and has

influence. We, obviously, have these talks between the United States and Iran

hosted by the government of Iraq in which we, as the Iraqi government, insist that

we do not want Iraq to be the zone of (inaudible) course.

I recently visited Iran myself, and my message to our area

neighbors that while that we want good neighborly relations with you, and that

would require respecting Iraqi sovereignty and noninterference in our domestic

affairs, given the rising levels of tension between Iran and the West, one cannot

escape the analysis that the fate of Iraq is being seen through that prism. And the

Iraqi transition is being burdened.

And again, as a government dealing with many political and

security challenges which are our Iranian neighbors, we are serious about the

neighborly relations with you; we do not want to go back to what it used to be in

terms of another Iraq/Iran War, another conflict between the two countries, which

was detrimental to both. But that would require you respecting our sovereignty

and noninterference in our affairs.

I had one conversation with a very senior -- to be precise with

President Ahmadinejad about this. I said it is in our national interest to have the

best of relationship with the United States. We cannot ignore the contribution of

the United States to our liberation. Without U.S. involvement and contribution to

our liberation, we would still be condemned to the tyranny of Saddam Hussein.

This is our national interest.

But, by the same token, you are our neighbor, and we have 1400

kilometers with you. We want to have the best of relations with you based on

respectful, mutual interest, and this is a challenge for your leadership and ours to

transform the nature of this relationship that was based on bribery and conflict.

Don't turn my country into a zone of suffering. We cannot afford this because at

the end of the day, stability of Iraq and success against extremism, success against

Al Qaeda should be a common interest between the United States, the Arab

world, the Iranians, the Turks, because these threats are emanating from such

lethal Islamist fanatic organization is a (inaudible) entirely.

We are in a tough situation, Martin. This Iraq's geography is a

blessing in many ways, but it is also quite a problem. It's a tough neighborhood.

MR. INDYK: What did President Ahmadinejad say?

MR. SALIH: I don't want to characterize what he said. I told you

what I said. I mean, this is -- it's for us -- I mean the challenge is. And again, this

could be just wishful thinking. We want Iraq to be a zone, a place where the

interests of these key players could converge in supporting a stable Iraq.

I say to our neighbors is that the continuing violence in Iraq and

burdening Iraqi transition with these difficulties could mean disaster for them, not

just for the Iraqi people. And I think many of our neighbors understand that we

cannot allow the situation to continue. And most of our neighbors should also

understand -- and I think the United States and our friends there on the ground

understand while we are plagued by this thing called Al Qaeda, and many of you

may agree that Al Qaeda is using Iraq as a major stage for promoting its agenda of

death and destruction, I think we may well see Iraq as the place where the defeat

of Al Qaeda has started.

You and I had this discussion sometime before. Sometime back Al

Qaeda was not such an extremist, isolated phenomenon. It has some kind of

resonance in the policies across the Muslim world, certainly the Arab world. For

awhile in Iraq, in many districts of Iraq, in many provinces of Iraq Al Qaeda was

seeing some form of resistance against occupation, against Shi'a rule, against

whatever the terns were.

That environment has changed. The Muslim community in Iraq, in

Anbar, in Diyala, in many of these districts of Baghdad, the communities are

rejecting Al Qaeda. I believe this is very important and very significant. This is

the genesis of the defeat of Al Qaeda; at least this is my hope.

MR. INDYK: Umm-hmm.

MR. SALIH: Because Al Qaeda as an ideology, as a way that they

have to operate it cannot be defeated alone by military might. It has to be

defeated by changes in mind and hearts. This is happening in Iraq. The political

challenge for us in the Iraqi leadership is whether we will be able to put in place

the political framework, the embracing, the enabling political environment to

really give a stake for those people into the process. That is a big challenge for

us.

MR. INDYK: Right. Let me just ask you about that before we go

to the audience.

It's the second time that you've been here and the second time that you've stressed the difficulties of making political progress. To put it simplistically, it would appear that Shi'as are now in government, in control as a majoritarian regime, that the Sunnis will not accept it. Shi'as will not share their power after having lived under Sunni rule for 500 years. And, essentially, the Kurds will go their own way and all the rest is commentary; that the Shi'as are in control, the Sunnis won't accept it, and that's the heart of the political problem. And it doesn't lend itself to any easy solution.

MR. SALIH: The last time I was here, I spoke about the majority of the (inaudible) between majoritarians as well as supremacists who want to restore the status quo ante. I think the reality of what we live today, and I see more of this emerging, is that those who think that they can control Iraq just by being a majority understand the nature of Shi'a does not lend itself to them.

Shi'a interests in Iraq require the settlement of the Sunnis and the Kurds as well. Many Sunnis who thought that they could restore the status quo ante I think are realizing that that is not possible, that Humpty Dumpty had a fall and cannot be put back together.

To give you an important anecdote, recently Traiq al-Hashemi, the Vice President Tariq al- Hashemi from the Islamic party, a Sunni party, announced a draft for discussion for a national (inaudible) Iraqis in which he asks and affirms the need to establish a democratic federal Iraq. He said that the Kurdish situation needs to be treated as a unique case, but the whole rearrangement of the state needs to be along federal lines. Exact nature of this does not have to be sectarian as the Biden Amendment has said, but we need to

look at ways by which the devolution of power are from the center to the provinces ultimately.

Many of the Sunni regions who rejected federalism only a year ago now, given this provincial development from the -- to be given to the local authorities, they are keen on increasing the allocation, because they can use it better, they know the priorities better, and they will not be at the mercy of whomever is the international government in Baghdad.

I believe federalism, a significant devolution of power will definitely be part of this political arrangement, and at the moment that is more or less accepted, I think. This bottom approach is beginning to pay dividend and it is working.

We still have some way to go about defining the power-sharing arrangement at the national level because again, Iraq is a multicommunity nation, and the nature of this transition is that we cannot have simple majority government. We may opt for it one way or the other sometime down the line, but I think in the present circumstances we would need a formula for power-sharing that the main communities of Iraq will feel that they have a stake in the process.

Key elements to this will be the provincial powers, legislation that is before us, and we have agreed on key elements of it. Obviously, the oil will be key as well. Again oil is subject now to political debate, but I think the elements of that we were able to close a deal on a couple of occasions only to degenerate afterwards, because of politics. Now there is a lot of pressure, domestically, inside Iraq and also from our friends to making sure that we get the oil deal, both for political reasons as well as economic reasons.

The third issue will be the nature of decision-making. Now, the

Iraqi Cabinet is the place where decisions are made, and the Prime Minister as its

head. The question is how to organize it so that the key constituent elements of

the government feel that they are part of the process as opposed to the isolated

just simply by being a minority.

MR. INDYK: Will they have some kind of ruling council?

MR. SALIH: We are thinking of all kinds of things. I mean, if it

is not for the violence, this is politics in Iraq. We are, like any other polity,

arguing about power, resources, decision-making, authorities, and it is chaotic,

problematic, inefficient, painful, but this is politics. Democratic politics is not

easy. I mean, probably I've told you before as well, when we did our budget last

year, 2007 budget, we had to go to parliament, and we had to justify every cent of

money that we would spend.

President of the Republic of Iraq and the Prime

Minister of the Republic of Iraq had to justify the discretion of the funding. I'm

sure many in the region would look down at that, that this is a sign of a weak

government, but this is what we have asked for: We have asked for a democratic

system of government in which a parliament will exercise oversight. It comes

with a baggage of inefficiencies and back and forth, and The Washington Post or

The New York Times declaring chaos in Iraq and inefficiencies of government.

It's true. Democracy is nowhere as efficient as a dictatorship. But there is truly --

in Iraq, these issues that we are debating now are political issues and the political

leadership of the country is trying, everybody is trying to maximize the leverage

and trying to get what they think is right for their communities and their political

constituents.

MR. INDYK: Thank you. Let's go to the audience, please.

Barbara?

MS. SLAVIN: Thanks for the first question. It is Barbara Slavin

of the U.S. Institute of Peace as of October 1. I wanted to ask you a little bit more

on the situation with Iran. You spoke of tensions between the West and Iran. We

have had warnings from President Bush about World War III if Iran were to

achieve some sort of nuclear capability. You have had I believe two rounds of

talks now between Ryan Crocker and Kazemi Qomi in Baghdad. Our

understanding is that they have not achieved very much. Could you tell us what

they have achieved, whether there will be another meeting, and if not, why not?

And how do you insulate Iraq from this wider confrontation particularly over the

nuclear issue? Is it possible?

MR. SALIH: We should try insulating Iraq from that issue, but is

it possible or not? Probably not. There are parts of that region, and everybody as

I said is trying to utilize the leverage through the Iraq scene and enhance their

negotiating positions. But we want to remind our neighbors that chaos in Iraq and

the collapse of Iraq will really spell disaster for them and this will not remain

within the borders of Iraq.

In terms of the talks, the talks were primarily actually to say, to be

blunt about it, were opportunities to express positions about grievances did not

venture into modalities by which the present day problems could be resolved. I

always said as a matter of fact, when the talks started that this is a very important

development, we need to build on it, and I hope it will lead to a situation when the

neighbors of Iraq with the United States and possibly the European Union and

others will come together and accept this notion of supporting Iraqi stability. If

we think that this problem can only be solved between the Iranians and the

Americans, we are also making a mistake because there are other key players in

that region including the Arab world, the Turks for that matter.

The Neighbors Conference at the P-5 could be a forum in which in

reality some of these strategic issues could be dealt with, and hopefully our

foreign policy, our national security policy, is aimed at insulating Iraq from these

regional cross-currents. That is our mission. Whether we will achieve it or not I

do not know. Tactically on the ground, America and the United States need to

continue talking so that these episodes, these problems of security, to not escalate

and to the detriment of both the United States as well as the Iraqi sites.

QUESTION: (inaudible)

MR. SALIH: Not to my knowledge. The last time I spoke to

Ambassador Crocker there was no talk of any definite time. Talking is a good

idea, it always is good to talk, and hopefully will lead to accepted norms of

behavior inside Iraq as well.

MR. INDYK: Let's take one there in the back.

QUESTION: (inaudible) magazine. Can you tell us about what

happened in Aleppo with the assassination of Abu Qaqa who was like the

facilitator for the Islamic volunteers to go into Iraq? Because you did not talk

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about Syria at all. You talk about Iran, Turkey, but what about Syria? Is there a

change, and do you think the assassination of this guy, the facilitator for the

Islamic volunteers has an effect?

Secondly, what about the Kurds in Syria? They have a lot of

problems apparently. Do you have any position on that?

MR. SALIH: I am the Deputy Prime Minister of the Republic of

Iraq and I am bound by international law not to interfere in the domestic affairs of

my neighbors, and by the same token, I ask them not to interfere in my affairs.

We are talking to the Syrian government. The prime minister has recently visited

Syria and they have concluded a number of arrangements by which the Syrian

government has committed to cooperation with Iraq to prevent an infiltration of

terrorists across its borders.

We still have a major security problem along the borders with

Syria certainly in the area of Mosul. Many of the former regime's elements are

residing in Syria and we expect Syria to act in a more decisive manner to prevent

any hostile acts emanating from Syria against Iraq.

MR. INDYK: It raises another issue related to that which is the

Syrians apparently closed their borders to Iraqi refugees recently. Can you tell us

a little bit about that problem, the problem of displaced refugees and those who

have gone to Syria?

MR. SALIH: It is a major, major problem. Depending on which

estimates one would believe, definitely hundreds of thousands of Iraqis have been

displaced outside Iraq and have gone to Syria, Jordan, a small contingent in

Egypt. This, to be fair to our neighbors, is a burden on their services and their

situation and we are committed to working with them to help deal with these

problems. Also we are working with the United Nations. We have recently

allocated \$25 million that will be dispensed through the Red Crescents of Syria

and Jordan. The solution lies in stabilizing the situation in Iraq and for them to

return back to Iraq. I cannot say that the environment is such that they will come

anytime soon, but hopefully with these positive developments in Baghdad, Anbar,

and some of those other areas, we will see at least a partial solution to this

problem.

We also have a significant problem of return -- from Baghdad and

other provinces and we have a variety of programs to deal with those. This is the

nature of the conflict that we have to deal with particularly in the sectarian nature,

the sectarian cleansing of districts in Baghdad and other provinces. These are

difficult and daunting challenges.

MR. INDYK: Is the government putting up money for the

resettlement of the internally displaced?

MR. SALIH: Yes. The policy so far is to bring them back to their

homes. In Baghdad, for example, as part of -- the security plan for Baghdad, a

key component of that is bringing back people to their homes. It is not easy, but

we are doing so, at least with limited success in certain neighborhoods of

Baghdad. In terms of the people who have been internally displaced, there are

cash payments as well as food rations and a variety of other help that is being

provided by government agencies. But it is a humanitarian crisis of serious

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proportions as well as a moral dilemma for all of us. Nobody would have liked to see the situation accompany the new Iraq that we are trying to build. It is a

painful episode to watch.

MR. JOSEPH: Thank you, Ambassador, Deputy Prime Minister,
Ed Joseph with Johns Hopkins SAIS and co-author with Michael O'Hanlon of
Brookings of the Saban paper "Making the Case for Soft Partition or Federalism,"

probably the more preferred word.

Sir, you just mentioned in answer to Ambassador Indyk's question that there seems to be a greater acceptance in Iraq of decentralization or federalism with some of the progress in the security side, that this has led to political change. I am wondering whether others in government share your view on that and if you could talk about at the central level.

Secondly, I would like you to explain if you see a role for the United States here. You mentioned the Biden vote and 75 senators in favor, and you know of course the U.S. embassy in addition to others in Baghdad reacted negatively and issued an unusual statement distancing itself. I am wondering if you think perhaps if the U.S. moved to a more neutral stance instead of insisting on a centralized vision for Iraq but, rather, just adopted a position of neutrality, whether that might be helpful.

MR. SALIH: I have no doubt in my mind that federalism is the future of Iraq, and I do not say this because of my political convictions. There is no one in Iraq who doubts the viability, the necessity of a Kurdistan regional government. Until recently, many Arab politicians and leaders were saying we

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will give Kurdistan the federal institutions and so on, but the rest of Iraq will be governed through a central bureaucracy. Here I am not making a political statement, I am just telling you about the nature of the Iraqi government. In my view, the era of centralized rule in Iraq is over. Iraqis will not accept it, not on political grounds, but in terms of their need for participation and need for enjoying the resources of their country.

The people of Amarah will not accept another era in which they produce the oil and the revenues go to the central government or is being spent somewhere else. They need to know that part of the revenues will come back to them and will be invested in the services and to improve their quality of life.

The people or Anbar as well who may fear politicization of revenue sharing in Baghdad by the national government, the government being led from a different community in Iraq, also see the value of federalism and sharing resources and power on a federal level. As I said to you, the senior Sunni leader of Iraq, Tariq al-Hashemi in his recent paper that he presented for discussion among Iraqis speaks of the need for Iraq to become a federal democratic country. The nature of the federalism though will continue to be a subject of debate.

I think probably we will have an asymmetric federalism. The Kurdish situation, given its unique history, dynamics and so on, will evolve along the lines we are seeing. The rest of Iraq could be a different situation. Objection to the Biden Amendment in Iraq, A, really the media portrayed it as a recipe for division, not recipe, in fact, a clear statement for dividing Iraq, and also the

division along sectarian lines, Shi'a and Sunni. There is definitely a sectarian aspect to Iraqi politics, nobody can deny it, but the Biden Amendment was a catalyst for all these Iraqis to just come out and say we reject sectarian division of the country. Fine, good. That is a very good statement to make and hopefully that will lead to a sense of national unity to and define these issues away from

sectarian and ethnic dynamics.

But fundamentally, structurally, the nature of the Iraqi state I think is moving in that direction, and it is not my view alone, it is the view of the overwhelming majority of the Iraqi political leadership in Baghdad, inside the Cabinet and elsewhere. We recognize that the Ministry of Education in Baghdad, the Ministry of Health in Baghdad, the Ministry of Higher Education in Baghdad, cannot do what is needed to help the communities in Basra, Mosul, and other places.

It is just a bad idea. Centralized tyranny, centralized government and bureaucracy denies resources to the regions and ends up with politicization, I dare say ends up with tyranny in my part of the world. And decentralization and devolution of power, federalism in one form or the other is the way forward and I think this is accepted. Also in the same context, being part of the region, many in the Arab world fear this idea of federalism and somehow equate to the division of Iraq. I think no serious political player in Iraq contemplates the division of Iraq. We all understand for a variety of reasons that Iraq will remain one country, but the nature of the state will change and will have to change because we cannot go back and think that Saddam Hussein was just a bad dream, Saddam Hussein

managed through a system and neither Iraq and I believe nor the region can tolerate another run a tyranny, and Iraq will move in a direction of creating federal institutions and the nature of the center to the regions will be based on a federal arrangement.

MR. INDYK: What you are talking about surely will be seen by Sunnis as leaving them with the short end of the stick, after all, Shi'as and Kurds have the oil, to put it crudely. That is the theory. How is it going to work out?

MR. SALIH: That is a theory. True, it is a theory, but even in practice now we are sharing revenues and every dime of oil revenues is going back to the center and distributed equitably in accordance with population, and that is a commitment that all Iraqis have made. And I still say geopolitically and for historic reasons, this country will remain in tact, but the nature of the state will be fundamentally different from what we had before.

In a way also let me say if we push the country too close together at the center, this is a recipe for friction, rivalries, and conflict. Allowed to defuse, all it to breathe more, and let the economy take it course and I believe oil will be a unifying factor Iraqis. In Anbar Province there are speculations and suggestions that Anbar for example has some oil and gas reserves there. This is also very central to the debate about the oil law. Some nationalists in Iraq oppose any notions of PSAs, profit-sharing agreements, with international oil companies. I probably would say that we will not need PSAs in Southern Iraq because the cost of the extraction of oil and production of oil is very small, the quality of oil, and it is cheap to extract and export, therefore we do not need PSAs. But if I want

to go to Anbar, I would not want to spend Iraqi resources that I need for

education, health, and other basic services to spend on something that is not

necessarily there. I would probably want to welcome IOCs to come and do

seismic studies and pursue reserves there and PSAs will be the way to go there,

probably the same in Kurdistan.

These debates are having a real impact. We recently organized for

a geologist to make a presentation to the local council in Anbar about the

prospects of oil and gas in the region and what it would take. It is interesting,

when you talk to them about the numbers, and this will mean this is the dividend

that you will get, this is the amount of money that it will mean to your region and

to the country as a whole. The whole debate shifts from politics and nationalism

to basically what is in it for me, how much I am going to get as a community.

The economy matters -- in the Middle East history matters a lot, culture matters a

lot, politics matters a lot, but it is beginning that people have had enough of this as

well; they need to live a good life. From Iraq at the moment we are exporting the

latest figure is 1.9 million barrels a day, for the first half we were exporting about

1.4. With a bit of restructuring of the oil sector, we can look at an average daily

production of about 6 million barrels a day, and with these prices the way they

are, this is a lot of money for Iraqis and this will create a huge market in Iraq. I

think it will transform the politics of the country. We are in a difficult time, we

are dealing with these difficult social and political issues, but I think the prospects

are good.

MR. INDYK: Robin Wright?

MS. WRIGHT: Robin Wright, the "Washington Post." Barham, there are two terrorist groups recognized by the United States in Iraq, the PKK and the MEK. Clearly tensions and suspicious with pivotal neighbors are not going to be defused until the status of these groups are going to be addressed.

Under what circumstances will the Iraq government move against both of them?

MR. SALIH: It is important to note also that these groups have been around for more than two decades and to expect Iraq to be able to resolve these issues in such a short period of time is unfair I would say. Both for the PKK and MEK and other organizations that are non-Iraqis, I generally and away from politics, we have no interest in having those organizations remain in Iraq, but we also bound by international law, for example, on the MEK issue. I do not know the title that they were given recently; it is called protected subjects or something like that. After the war, the coalition assumed control over their bases and were the designation of protected subjects or whatever. But we worked with the Iranian government to facilitate the voluntary repatriation of a number of them; many of them went back to Iran through the International Red Crescent.

Obviously as a government we are obliged not to allow them to make any hostile acts against our neighbors. The Iranians are not with what we are doing, they demand more, but there are limits of what we can do because of international law.

As with regard to the PKK, I explained we are ready to work with our neighbor Turkey to find the solution, but this will not, cannot rely on military means alone, it has to involve serious effort on the parts of both countries to engage a range of options and I can assure you that both Iraq and Turkey,

including the Kurdistan regional government, have a vital interest in resolving this

issue.

MR. MILLIKEN: I am Al Milliken, Washington Independent

Writers. How do Iraq and the Kurdistan region in particular view how Turkey has

related with the West and the United States, and more significantly, Turkey's

movement toward becoming part of the European Union?

MR. SALIH: We have many issues that we have to deal with in

the Iraqi government and we do not have a formal position on that matter, but

personally, I am very much hopeful about Turkey becoming a member of the

European Union. A major Muslim country to becoming part of the European

community will change the politics of the Muslim world in a fundamental way.

By then we will become neighbors of Europe should that happen. Again, we and

Turkey have a lot in common in terms of making sure that our economic relations

and cooperation will be beneficial to both countries, and Turkey is a conduit to

European markets whether it is for gas and other issues that are of importance to

us as Iraq that are important.

MR. HAROLD: Mister Deputy Prime Minister, Scott Harold from

Brookings. If I am not mistaken, not many Arab countries currently have

ambassadors in Baghdad.

MR. SALIH: True.

MR. HILL: I wonder if you could tell us of any efforts you have

made to improve relations, normalizing relations, with your Arab neighbors.

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MR. SALIH: There are a lot of efforts on the part of the

government of Iraq to engage the Arab world. We continue to remind them that

the future of Iraq is of serious importance to Arab interests. The President, the

Prime Minister, our Foreign Minister, continue to travel across the Arab world

and the various other officials have visited various other capitals. The Egyptians

have recently told the Iraq Vice President Adil Abdul Mehdi that they will be

sending back or consider sending back their ambassador. There is a security

problem for many of these Arab missions. They feel that they have been targeted

by al-Qaeda and perhaps others and it is not such an easy environment for them to

operate. The Saudi government has recently announced that it will send its

diplomatic mission back to Iraq, and there are efforts underway. But the nature of

the relationship between the new Iraq and the Arab world, I cannot say that it has

developed as well as we would all like it to be. We need to do more collectively,

both the Arab world as well as Iraq in order to do so.

At the end of the day, Iraq's stability requires an active Arab role in

supporting our stability and our fight against terrorism. Our neighbors including

the Arabs need to be there with us helping us fend off these challenges.

MR. INDYK: Excuse me for pressing you on this.

MR. SALIH: Press me, please.

MR. INDYK: What is holding it up? Iraq is an Arab country.

Why should these Arab countries as neighbors who have an interest in the

stability of Iraq be so reticent? It is not just security in Iraq; it is because they see

the government as a Shi'a government?

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MR. SALIH: As Shi'a, probably that is a factor at work with

some, but what has happened in Iraq was a paradigm shift and the nature of this

relationship of the new Iraq with the Arab world is to be defined more clearly, but

I think Iraq is very keen on being an active member of the Arab institutions and

Arab League and other situations. Some countries probably are yet to come to

terms with this new reality. We need to work at it harder. It is in the interests of

Iraq and the interests of the Arab world to making sure that the relationship is

proper and active because at the end of the day Iraqi stability will be also helpful

to Arab interests I think.

MR. INDYK: Are you concerned at all that there will be some

fueling of the sectarian strife with Iran on the one side?

MR. SALIH: If one were to look at this historically, there are

episodes in history that that has happened. We hope that that will not happen.

Iraqi Shiites are Arabs and need to be embraced by the Arab world and not to be

pushed in any other direction. Iran is our neighbor, we have to have relations

with Iran, and we cannot afford to ignore Iran as a major regional player and as a

neighbor for Iraq. I am Kurdish, I am not Arab, but I am part of Iraq, and I do see

it in the interests of Iraq to develop very strong ties with the Arab world and there

is a lot that will benefit both the Iraqis as well as our Arab neighbors.

MR. KITTFIELD: James Kittfield from "National Journal"

magazine. Back to the PKK. Not to belabor this issue, but clearly you said that

you do not want the Iraqi government to be drawn into a military confrontation

with the PKK, and it is not a military solution alone. But given Turkish

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suspicions that there is a lot of sympathy amongst the Kurdish government for the

PKK, isn't some move militarily against the PKK necessary to show your bona

fides, if you will, to the Turks? Secondly, you keep talking about a negotiated

settlement, but given what we know of the PKK's designs, what sort of settlement

could exist that will satisfy --

MR. SALIH: Not a negotiated settlement in that context, I am

talking about what we as the government of Iraq, and for that matter including the

Kurdistan regional government, can do. There is the problem of border security.

Our neighbor Turkey is concerned for good reason about border security. This is

a problem that has evolved over decades. It requires a solution. We recognize

that. Let's sit down and agree on modalities by which this can be dealt with.

There is not one thing that we can do, and basically what many in Turkey are

asking is that the KRG or the Iraqi government to go on a rampage against the

PKK. We know it will not work. It will not provide stability across the borders

with Turkey. There is no military solution to this problem.

What Turkey will do with the PKK within its borders is up to it.

We do not want to interfere in that. This is their sovereign decision. But what we

want to do, we need the help of our friends, our neighbor Turkey, to sit down

together with the United States and basically find ways and means by which this

problem can be dealt with. That is the attitude.

MR. AZA: I would like to follow-up the PKK question.

MR. INDYK: Could you identify yourself?

MR. HAZAR: Hasan Hazar, "Turkey Daily."

MR. SALIH: We know each other from times past.

MR. HAZAR: Why is Northern Iraq a safe haven for the PKK terrorists? When and how will we stop harboring terrorists in this area? You said that Turkey's and Iraq's governments including the local authorities should work together. How is it going to work this function?

MR. SALIH: I want to correct you. Iraqi Kurdistan is not a safe haven for the PKK. In fact, the PKK or its front organizations have had offices both in Iraqi Kurdistan as well as some other Iraqi cities. We closed down those offices. Makhmour Refugee Camp which was a major issue for the Turkish government, we with the United Nations and the government of Iraq and the KRG closed down any activities of PKK elements there. If you want to know why the PKK is able to survive in the Qandil Mountains, I would welcome you. I do not know that I will be able to accompany you or not, but for you to go and see this terrain and these mountains, these are not easy to deal with militarily, my friend. Again, really, a very so-called basic question, there are PKK within Turkey, are there not? Turkish military might could not deal with it militarily. Then how could you expect a nascent state called Iraq with these challenges of al-Qaeda and violence and all kinds of activities, that we now drop everything and push whatever resources we have in order to go to the Qandil Mountains and defeat the PKK? We will not be able to do it. I am not shy about saying so. But there are ways we can alleviate this concern for our neighbor Turkey and we can alleviate this concern for us. This is not only a concern for Turkey; this is a concern for us too as well.

I spoke yesterday to President Talabani who just met with President Barzani and they were talking about this situation -- this is a major issue for us as well. But instead of threats and notions of unilateral military action if the action is to resolve this problem, let's sit down, the Turks, the Iraqis, the United States, and there are ways by which we can address this problem, not necessarily fully resolve it, we may not be able to do so because we may have to accept a certain level of problem, but there are things that we can do collectively.

MR. INDYK: How are you holding up? Can you take two more questions? We will take Hisham Melham first and then Gary Mitchell.

MR. MELHAM: Hisham Melham, "Al-Arabiya" newspaper.

Could you speculate a little bit as to the timing of these escalations on the part of the PKK? What do you know by way of your intelligence and your speculation about this group? Why now? And also, do you foresee a situation in which the American military in Iraq will be forced to conduct some maybe aerial bombings of those mountains given what the Turkish military has been saying to the American military, if you do not want us to cross the border, maybe you should do something about this?

MR. SALIH: Hisham, on the first question, one really has to wonder about the timing. This is definitely in a way aimed at embarrassing Erdogan and Gul, and embarrassing the KRG and the Iraqi government. This begs the question why this is happening and at this time and this way. At the time when the hopes were high that the new government in Turkey will be pushing for

some form of resolution of some of these intractable issues with us and with the

KRG, it begs the question. Anyway, I live it at that.

In terms of American military, the United States has forces in Iraq,

but I think their priority is to defeat al-Qaeda. Yes, regional security is a key

concern. I do not want to speak for the United States, but I think the best thing is

for the three countries to sit down together, the U.S., Iraq, and Turkey, and see

what is best to be done and what are the things that can be done and we lay out a

strategy of dealing with this problem. We cannot afford to have this issue raise its

ugly head every now and then. We need to stabilize our relations with Turkey.

MR. MELHAM: Just a quick follow-up. What is the state of play

now given the contexts that are being carried out now between the Kurds and the

Iraqi government in Baghdad, and the Turks, and the United States, about any

kind of bilateral --

MR. SALIH: There is talk now of resuming those talks. A while

back these were suspended because the Turkish government opposed the Iraqi

delegation including a KRG representative, and that is unacceptable. That was

tantamount to inference in our domestic affairs. The KRG is part of the Iraqi

government and it is for the Iraqi government to decide who we will take there.

And furthermore, they are the ones with the de facto authority on the ground. If

you want a solution, we cannot sideline the KRG and the KRG has to be involved

in this.

MR. MELHAM: But the Turks are still concerned about the

Kurdish ---

MR. INDYK: Gary Mitchell has the last question.

MR. MITCHELL: Thank you. Gary Mitchell from "The Mitchell Report." Mister Deputy Prime Minister, you report that the surge has achieved its military objectives and at the same time, the political component of that is moving slowly if at all. We know three things. One, the American military cannot maintain its current presence in Iraq and so things are going to change at some time at some rate, fewer American troops are going to be there. Second, we are in the middle of the funny season here, a presidential election. That issue, meaning not just Iraq, but how long and how many troops, at what monthly run rate, et cetera, that this is issue is going to be put under a microscope.

The third thing we know is that from the American perspective, things are not going to stay the same, they are going to change. The question that I would love for you to address is what is it that you would say to an audience of Americans about how long we should expect to be in Iraq with a significant military presence, other than military presence, what political steps can the country take, and I think that is really the nub of it.

MR. SALIH: Those are very important questions. Recently the five top leaders of Iraq, the President, the two Vice Presidents, the Prime Minister, and the President of the Kurdistan Region, have come out with a statement calling for negotiating a long-term security arrangement with the United States because this year will be the last time the U.N. Security Council resolution will be extended, renewed, for the extension of coalition forces inside Iraq. So

the status of the forces and their modality, the legal framework for their presence,

will change.

Iraq will continue to need the support of the international

community and particularly the United States. I believe next year the Iraqi

Security Services will be assuming the lead in many more provinces of Iraq and

the focus will be on Iraqi Security Services a log more than before, and we will be

in the lead. But for some time to come, medium- and long-term, we will need

American troops in Iraq in a supporting capacity not only to help us deal with the

domestic terrorist threat, but also help defend Iraq against regional predators.

Negotiations will start sometime soon on this security relationship between Iraq

and the United States. We have a team in Iraq led by Vice President Adil Abdul

Mehdi that is looking at this issue, and we consider this to be a top priority

national security issue for Iraq.

The security architecture, we do not know exactly what will be the

relationship, but I think the key leaders of Iraq, the key constituencies of Iraq,

recognize that we will continue to need the support of the United States for some

time to come. Exact numbers and modalities, these are matters to be determined.

but the fundamental is we will need your support for some time to come.

But also you need to recognize that your role will change from an

active role, day-to-day management of the security role, to one of a supporting

role, that the Iraqis will be in the lead and you will be there as a supporting force

for us.

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MR. INDYK: Barham, thank you for a fascinating and diplomatic

but candid answer to all of our many questions. I think we have all learned a

great deal from you today.

MR. SALIH: Thank you.

MR. INDYK: And I think many of us already are admirers of

yours, but to those who see you for the first time will understand how well served

are the Iraqis by your role.

MR. SALIH: Thank you.

MR. INDYK: So thank you very much.

MR. SALIH: Thank you.

MR. INDYK: Please join me in thanking Barham.

MR. INDYK: Could I ask you please to hold in your seats just for

a minute while the Deputy Prime Minister leaves just for security reasons? The

incentive for doing this is we are actually going to serve you some light lunch for

your labors here which will be in the Saul/Zilkha Room over there, but just hold

here for a few minutes, please.

* * * * *