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SAUL/ZILKHA ROOM

WHAT'S NEXT IN U.S.-SAUDI RELATIONS
A CONVERSATION WITH H.E. ADEL AL-JUBEIR,
MINISTER OF FOREIGN AFFAIRS, KINGDOM OF SAUDI ARABIA

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Introduction:

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Keynote Remarks:

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P R O C E E D I N G S

GENERAL ALLEN: Well, good afternoon, ladies and gentlemen. *As-salaam alaykum*. On behalf of everyone at the Brookings Institution, we welcome you to this Alan and Jane Batkin International Leaders Forum and we welcome you to the institution, as well. In a few moments I'll ask to speak the individual that you came to see this afternoon, His Excellency Adel Al-Jubeir, the minister of foreign affairs for the Kingdom of Saudi Arabia. And we're deeply honored, Minister, that you would join us today.

As most of you know, he's visiting Washington, D.C., this week along with his Royal Highness the Crown Prince Mohammad Bin Salman. And we're very grateful for his willingness to spend some time with us this afternoon and to speak to us today about some of the key issues that we face in this region together.

Minister Al-Jubeir has been Saudi Arabia's foreign minister since April of 2015. And in this role he's been at the center of many of the most pressing issues facing the Middle East in recent years. And I'll note in particular that during my appointment as the U.S. Special Envoy to the global coalition to counter the so-called Islamic State, I recall with great pleasure and warmth the minister's strong support to the coalition representing the Kingdom and his strong support to me as the special envoy as we built a coalition together to defeat the Islamic State.

Prior to taking his current role, Minister Al-Jubeir served as Saudi Arabia's ambassador to the United States, a position he's held for nine years.

He's very well known to D.C. and counted as a friend among many of us in this city.

Following his remarks today, Minister Al-Jubeir will sit with our current vice president and director of Foreign Policy here at the Brookings Institution for a more in-depth discussion. And after their conversation, we'll open the floor to questions.

With many other matters to attend to, we appreciate the minister taking his time in a very busy and full schedule here in Washington, D.C.; a schedule that I believe will strengthen the relationship between the United States and the Kingdom, but also a schedule that will ensure continued peace and stability on behalf of both of our countries.

So ladies and gentlemen, if you will, please join me in welcoming the minister of foreign affairs for the Kingdom of Saudi Arabia, Minister Adel Al-Jubeir. (Applause)

MINISTER AL-JUBEIR: Thank you, John, for the kind introduction. And I'm honored that you invited me to speak here today, and so I will try to make comments short and see what we can accomplish in the Q&A session.

The Kingdom of Saudi Arabia and the United States have been allies for eight decades now. They have seen the coming and breaking of many storms. In the 1950s and '60s, we worked together to defeat radicalism emanating from Nasser and other revolutionary states in the Middle East. In the '70s and '80s, we worked together to roll back the Soviet Union. We were able to

switch Egypt from the Soviet camp to the Western camp. We did the same thing in Somalia in the 1960s and '70s, sorry. We pushed back against Soviet encroachment towards the Gulf. We worked together in Afghanistan and we prevailed. And 1990, of course, everybody remembers the invasion of Kuwait and the liberation of Kuwait by a coalition of over 30 countries that was put together by the United States and the Kingdom of Saudi Arabia.

Today we are facing numerous challenges in our region. We are facing extremism and terrorism. We are facing a crisis in Syria. We are facing working together to support Iraq and maintaining its unity and helping Iraq rebuild the nation after many years of devastation. We are working together to contain Iran. We are working together to support the legitimate government of Yemen. We are working together to see what we can do about Libya. We are partners and allies, along with a number of European countries, in supporting the G5 countries of the Sahel as they take on terrorism and extremism in the form of Boko Haram. We are working together against piracy in the Middle East. We are working together against terror financing in the Middle East and around the globe. And so we have a full agenda.

Of course, I would be remiss if I didn't mention stability in Afghanistan and Pakistan. And that's a tall agenda. I always tell people other than these little problems, we live in a wonderful neighborhood. (Laughter)

The way we see the situation, I'll just touch on some of the issues very briefly so that we can discuss them in more depth during the question-and-answer. The situation in Syria, for example, is a tragedy. More than 500,000

people killed, 12 million people displaced, millions of refugees outside of Syria. And we have a situation where we need to work on a political process that leads to the implementation of the Geneva I Declaration and U.N. Security Council Resolution 2216 so that a political process, a transition period, a new constitution, elections, and then with the objection of maintaining the territorial integrity of Syria and ensuring that there is a stable government that is representative of all Syrians.

It's a challenge because we have extremism, we have terrorism. We have different actors in Syria. We have the Iranian influence in Syria. We have the Shia militias in Syria. But we are determined to continue to work with our partners to try to bring about an end to this conflict.

The Kingdom of Saudi Arabia was one of the founding members of the international coalition to defeat ISIS in Syria and Iraq. Our air force flew the second largest number of missions after the United States in this effort. We have prevailed, thank god, in Iraq. But the effort in Syria is not over yet.

With regards to Iraq, we have turned the corner in our relationship with Iraq. Over the past year, we have opened up consulates. We have an embassy. We have opened up nine bridges, border crossings between our two countries. We have instituted commercial traffic, airline traffic between the two countries. We have established a coordinating council between our two countries to institutionalize the relationship. We've had numerous trade delegations go back and forth between the two countries. We have intensified the level and the tempo of visits by senior officials from both countries. And we

have pledged \$1.5 billion to the reconstruction of Iraq at the pledging conference that was recently held in Kuwait.

We believe that Iraq has turned the corner and we see Iraq as a neighbor to us. And we see Iraq as a partner of ours, and so this has been a tremendous success.

The conflict in Yemen remains. It was a war that we didn't seek. It was a war that we didn't want. It was a war that was imposed on us. We worked on removing former President Saleh and establishing a transition government. The Yemeni people came together in a national dialogue, people of all walks of life. They came up with a blueprint of what they wanted Yemen to be, and then they were preparing to write a constitution. And this is when the Houthis, a radical militia allied with Iran and Hezbollah, struck.

They staged a coup, they took over the government, and they chased the Yemeni president. First they imprisoned him in his house. And when he escaped, they chased him to Aden and they circled the palace and he asked for assistance. And we responded under Article 51 of the U.N. Charter and we responded under Security Council Resolution 2216. Put together a coalition of 12 countries that sought to prevent the takeover of Yemen by this radical militia, which was now in possession of an air force and ballistic missiles.

And we have always said from the beginning that the problem in Yemen can only be resolved politically, on the basis of U.N. Security Council 2216, on the basis of the GCC Initiative, and the outcomes of the Yemeni national dialogue, and that still remains our position. There have been many,

many talks held between the Yemeni parties, agreements were reached, and the Houthis did not implement one single one of them. Every time people accept an agreement, there's no implementation. And so the war continues.

We have a situation in Yemen where after the murder of President Saleh, the Houthis are isolated. The major political parties in Yemen are coming together and politically the Houthis are isolated.

We have opened up the ports of Yemen and we have put in place a humanitarian assistance package that now involves \$1.25 billion. We have established land bridges into Yemen and air bridges into Yemen. We have established safe corridors inside Yemen to make sure that the humanitarian assistance flows smoothly. We have increased the capacity of Yemeni ports along the Red Sea. And we will continue to work on making sure that we minimize the humanitarian tragedy that exists in Yemen.

We have also established an office for the reconstruction of Yemen and set aside \$10 billion to begin the reconstruction effort as soon as the fighting stops. And we're determined to increase that number through our partners in the international community.

The Houthis are now on the defense. Three years ago, they were controlling most of the country. Now they control less than 15 percent, and they're losing ground day by day. We have worked to tighten the inspections regime associated with Yemen to minimize the flow of weapons to the Houthis. The Iranians continue to smuggle ballistic missiles into Yemen, which the Houthis then launch at cities in both Yemen and the Kingdom of Saudi Arabia. And this is

something that I believe no country can tolerate and that's why we have this effort.

The next on my agenda is Libya. We are working with the Libyan leaders to try to come up with a roadmap for moving forward. The U.N. Special Envoy Salame has the roadmap in place. We pretty much have agreement from the key political leaders about this roadmap, but now we need to move towards implementation of this roadmap. So that's going to be our next challenge and we think we can overcome it.

The biggest problem we face in our region, though, is Iran. Iran is the source for extremism and radicalism in the region. Iran is a state sponsor of terrorism. Iran interferes in the affairs of the countries of the region in a very negative way. Iran flaunts international laws and resolutions that have to do with ballistic missiles of terrorism or respecting the principle of good neighborliness and non-interference in the affairs of other countries.

We have had this issue with Iran since the 1979 Khomeini revolution, when Iran took it upon itself to be the champion of all Shia in the world, which is not acceptable. That would be like the Vatican saying we are responsible for every Catholic irrespective of their nationality. Iran has enshrined in its constitution the principle of exporting the revolution, which is also something that no country can accept.

And for three decades we extended our hand in friendship to Iran only to be met with death and destruction. And so we took a different approach in the last few years, and our approach is to push back against Iran's influence in

the Arab world, in the Islamic world, and to call a spade, a spade. When you assassinate diplomats, when you blow up embassies, when you harbor terrorist such as Osama bin Laden's son and Saif al Adel, the chief of operations for al Qaeda, when instructions go out from Iran by these terrorists to blow up housing compounds in Saudi Arabia, that is not acceptable. And so we have said that Iran must be held accountable for this.

And which brings me to the JCPOA, which everybody is talking about. We think that the agreement is flawed. We think that the agreement needs to be tightened with regards to the sunset provision that expires in approximately eight years and lifts the limitations on how many centrifuges Iran can have, which would allow Iran to ramp up its centrifuge capacity and to acquire enough enriched uranium to manufacture an atomic bomb in a matter of weeks. That's not acceptable.

The second part of the agreement that needs to be improved is the inspections mechanism. It has to include non-declared sites and military sites. And it has to ensure that the inspections can occur at any time, at any place, without any restrictions.

But the agreement by itself does not solve the problem of Iran. Iran must be held accountable for violating the U.N. resolutions with regards to ballistic missiles. You cannot provide ballistic missiles to terrorist organizations which then fire them at civilians randomly. So that, Iran must be held accountable for.

And the third set that Iran must be held accountable for is its

support of terrorism and interference in the affairs of other countries. So if these three pillars in place, then we will have an effective sanctions regime against Iran. But if they're not in place, then the Iranians will continue to engage in their mischief.

Now, with regards to Saudi Arabia, the Kingdom of Saudi Arabia is on a path of major reform. We are transforming our country. We believe that we need to reduce our dependence on oil. We need to empower our youth. We need to empower women. We need to open up our economy. We need to open up new areas for investments, such as recreation, entertainment, mining, tourism, and other areas.

We believe that in order to accomplish this we need to have an efficient, accountable, transparent government. That's what we're working on. We're fighting against corruption. We're working on setting benchmarks for every ministry to achieve between now and 2030. And we believe that if we can do this, we will unleash the potential of our citizens, in particular our youth.

Our country is a young nation; 70 percent of our people are under the age of 30. They have hopes, dreams, and ambitions. They are well-connected to the world. We are probably one of the -- definitely one of the most connected countries in the world in terms of social media and in terms of access. We have had half a million of our young men and women study at universities all around the world, from Japan to the U.S. They will come back and enrich our country. I believe half of them or more have already graduated and come back. And so we need to give them the opportunity to excel. And when they excel, our

country rises and we become stronger. And the stronger we become, the more immune we will be to the problems around us.

And so that is the path that we're embarking upon. We're fighting extremism very vigorously. We're pushing back against intolerance. We want to have a country in which normal people lead normal lives. We want to have a country that is economically efficient, economically prosperous. We want to have a country that as a result of this will be a very stable country. This is our vision.

There's a dark vision that the Iranians are pushing, which is ignore your people, focus on exporting your revolution, stoke the fires of sectarianism, divert your resources from economic development to supporting militias and adventures abroad. And if your people don't like it, crack down hard. That vision cannot prevail. History has shown us that light always triumphs over darkness, and I have no doubt that the vision that we are working towards is the one that will prevail.

So maybe I think I may have talked too much. I can stop here and maybe we can continue the discussion. Great, thank you. (Applause)

MR. JONES: Well, Minister, thank you very much. And let me join President John Allen in thanking you for being here. There are a number of people in the room who you know very well, Martin Indyk and others, and a number of our trustees are in the room. So thank you very much for being here with us.

I want to start where you started, on the Saudi-U.S. relationship. Since 1943, it's been a deep relationship. The United States and Saudi Arabia

have stood beside each other in maintaining order in the region and been partners on many other things.

I'd be curious for your perspective, as American policy has swung fairly dramatically on issues in the region, there was obviously substantial turmoil in the region and in the relationship during the Obama period. You talked about some other moments, some other storms that we've weathered. Now we're into a much more constructive phase. Do you have whiplash or how do you navigate these changes in American policy?

MINISTER AL-JUBEIR: You deal with it. We deal with it. Our countries have interests and they pursue those interests. Our role as friends and allies is to point out what we believe the right approach should be. And if our friends take it, that's great. If they don't take it, at least we did our responsibility as friends by pointing it out to them.

One of the interesting things that I've noticed in the last three years is for many, many years people were saying Saudi Arabia is a big, powerful country. It has resources. It should -- they want to hold our coattails while we go into battle. Why don't they take charge? And this has been a mantra for many years.

And then when we decided to lead, people are saying, oh, my god, are the Saudis being reckless? And so I say this is like a Catch-22. If we don't lead, people say lead. And when we lead, they say what are you doing? And so if you want to lead, lead, we'll support. And if you don't want to lead, we'll lead and we hope for your support. This was the argument that we were making.

Because the problem in international relations is when the U.S. as the largest power withdraws, it creates a vacuum, and into that vacuum evil forces flow. So you have to make sure that no vacuum is created because your adversaries will take advantage of this. And your adversaries are our adversaries, also.

MR. JONES: We're very big fans of allies who lead precisely as we would like them to. (Laughter) But that's another debate.

Let's turn to the wonderful neighborhood that you described. And I want to push you a little bit on the Iranian questions. You talked about conditions that would allow there to be a more effective set of sanctions, a more effective set of pressures, changes to the agreement. Those are hard to argument with. But let me draw you out on two points.

One is what are the conditions under which you -- let's assume that everything you described is implemented, but what are the conditions under which you could see an actual movement toward rapprochement between Riyadh and Tehran?

MINISTER AL-JUBEIR: A change in Iran's policies.

MR. JONES: Simple as that?

MINISTER AL-JUBEIR: Yes. How can you deal with a country that attacks your embassies, that assassinates your diplomats, that stages terrorist attacks in your country, that sells ballistic missiles to militias who then launch it at our cities, including our capital city? This is not the behavior of a country that wants to have good relations.

MR. JONES: Let me push you on another point. Crown Prince Mohammad Bin Salman in this trip, one of the things that quite a lot of commentary was he made a statement that I think people are interpreting as saying, in effect, if Iran gets a nuclear weapon, we will get a nuclear weapon. Now, that's long-time understood, but I think hasn't been stated quite as clearly as that until recently.

That obviously is, in one way, a deterrent for Iran. You could also argue, though, that if you're the United States and you hear that, you think, well, then we have to be awfully careful about walking away from the JCPOA because if we lose progress on containing Iranian nuclear program and then Saudi, and then we're off to the races.

So how do you think about the nuclear question?

MINISTER AL-JUBEIR: What would you do if your enemy is about to acquire a nuclear weapon? Just sit there? Of course not. So we hope -
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MR. JONES: We have a nuclear weapon, so. (Laughter)

MINISTER AL-JUBEIR: And we've always said that we want to have the Middle East free of weapons of mass destruction. But we can't let others acquire it and then use it to cause mischief in the region or use it as a shield to allow them to cause mischief in the region. And so really the onus is on Iran, not on us.

MR. JONES: Do you see progress being made in the coming months on the sunset question?

MINISTER AL-JUBEIR: I hope so. I know there are discussions between the U.S. and between the European countries. And there's -- I hope that they can come up with a mechanism in order to extend it.

MR. JONES: Let's turn to Yemen. You talked about that at some length, and I appreciate that. It's obviously a cause of a great deal of concern here, both the humanitarian consequences and the strategic picture. I'm well aware of the efforts you've done to preposition the possibility of reconstruction. How quickly do you think we can make the kind of progress necessary to get to that outcome?

MINISTER AL-JUBEIR: It's up to the Houthis. More than 70 agreements were made and every single one of them they violated. The last time they met in Kuwait for three and a half months, came up with a blueprint for resolving the conflict and staging it, and then when the government of Yemen accepted it, the Houthis rejected it. And then they turned around and said we need to make some changes, so John Kerry made some changes with regards to the sequencing, which was very difficult for the Yemeni government to accept. And then in the end, the Houthis walked away.

And then the Quartet in December of 2016, meeting in Riyadh, came up with a formulation. And under it, the Yemeni government and the Houthis would send representatives to the U.N. office in Amman, Jordan, in order to get training on de-escalation and monitoring and so forth. And after that, they were supposed to come to what's called the DCC Center in Dhahran South. It's a small town inside Saudi Arabia, close to the Yemeni border. The Houthis not

only didn't show up to Amman, but they lobbed a ballistic missile at the center in Dhahran South. That's not the behavior of somebody who wants to make peace.

And then with regards to the humanitarian situation, the Houthis steal humanitarian assistance and sell it to fund their war machine. The Houthis lay siege on towns and villages, which leads to the starvation of people. The Houthis robbed the Central Bank of \$3 billion. They stole the pension funds. They smuggle gasoline, buy it for \$3 in Hodeidah and sell it in Sana'a for 17. They took the revenues of the cellphone company. They take young boys -- 9, 10, 11 years old -- and put them on the frontlines. They mine areas randomly, which leads to people getting killed or maimed because of these mines. And yet, people portray them as if they're the innocent.

MR. JONES: Yeah. I want to ask you -- I'm going to come to the audience in a moment, but I want to ask you about a couple of issues that you didn't speak to, which, in a way, are surprising. If I think about U.S.-Saudi relations and the issues that would have been central to the discussion 5 years ago, 10 years ago, 15 years ago, energy would have come up and the Arab-Israeli peace process would have come up.

Now, we didn't give you much time, so it's not as if you have to cover everything. But I would be interested in your perspective on where Saudi thinking is. Again, MBS made some fairly controversial commentary on Jerusalem. We've had the past engagement on the Saudi peace process, et cetera. What is your thinking about Saudi's role in trying to encourage an Arab-Israeli peace process? And how do you see the U.S.-Saudi relationship on

energy issues now that the United States is in a very different place in terms of energy production and exports than it was in the past?

I know those are totally different questions, but.

MINISTER AL-JUBEIR: On energy, we've had a dialogue for decades on energy. We both want stable markets. Fluctuations in price are very destructive. They negatively affect investment decisions and they impact on economic growth. Too high prices leads to slowdown in economic growth and increases the cost, which sets the stage for reducing consumption, which then drops the price of oil and we as producers suffer.

So our objective since the mid '80s has been to try to maintain balance in the markets so that we have stability of price of oil in order not to shock the system. And that still remains our policy.

With the U.S. producing oil and being an exporter, that's a positive because the world demand for oil is going to peak by 2030 or 2040, so we'll see continued growth. And then it will begin to gradually drop. How are we going to meet the increase in demand over the next 15 years or so?

The U.S. production is good. In other countries what we're seeing is limits on how much longer they can produce oil. So while American production has gone up, while Saudi production has gone up, in other places it'll begin to come down. So we need to make sure that we have stability, so we continue to engage with the U.S. On this, as well as with other countries, OPEC producers as well as non-OPEC producers, like Russia, like Mexico, in order to bring that stability.

With regards to the --

MR. JONES: Before you shift, can I just ask you, I mean, obviously the politics of this country are a little different right now, but there are some of us who want to continue to push hard on climate change questions and see that point at which the consumption of oil begins to decrease come upwards in time. Are you prepared for a reality in which climate change politics begins to drive that issue forward faster?

MINISTER AL-JUBEIR: We are part of the effort to improve the climate because we live in this world. I mean, global warming affects Saudi Arabia. But I think our view is we have to be honest. Coal is a much bigger polluter than oil. And yet in Europe, they subsidize coal and they tax oil 2-, 3-, 400 percent. So if you're serious about climate change, shift from the source of energy that is a much greater polluter before you talk about oil. But because they have coal, we can't touch coal, but we have oil, it's okay. Where is the sense of fairness here?

So the -- and then you have other issues in terms of hydrofluorocarbons that we have worked on arrangements of. We live in a country where the temperature in the summer exceeds 50 degrees Centigrade. That's like 125 degrees. So air-conditioning for us is a must. Do you have the technology that can provide air-conditioning without use of this chemical? It doesn't exist. And so we have factories that produce this that have not finished their useful economic cycle.

So the agreement that was made was that over a period of 25 or

30 years, assuming that an alternative is found, you would then basically let these factories expire. And if a scientific solution is not found, then you extend it. So for us, this is a -- we have to make sure that we have the ability to provide properly.

MR. JONES: Sorry, I cut you off. You were about to shift to Jerusalem and Arab relations.

MINISTER AL-JUBEIR: Yes. With regards to the Arab-Israeli conflict, I mean, the Kingdom's position has been consistent since the late King Fahd offered the eight-point plan that was adopted by the Arab world that calls for a two-state solution: the Palestinian state on the 67 borders, with East Jerusalem as its capital. In 2002, then Crown Prince, later King Abdullah put forth what became the Arab Peace Initiative, which provided -- essentially says two states, here's what we do.

A few years later, the initiative was amended to allow for minor, mutually agreed-to swaps of territory that would incorporate most of the settlements that are on the green line in exchange for territory of equal size or equal value. And that remains our position today.

Our advice to the Trump administration is the same advice is the same advice we gave to the Obama administration and the same advice we gave to the George Bush administration, which is incrementalism and confidence-building measures don't work. We know what a settlement looks like. Ask Martin, he's been through it twice. We know what a settlement looks like. Three times. (Laughter) Yes, I forgot. Yes, yes, yes.

We know what a settlement looks like. The problem is -- and we know the big five issues. Let's say settlements, border, security, Jerusalem, refugees.

MR. JONES: Refugees.

MINISTER AL-JUBEIR: You can deal with the first one and at a tremendous political price. By the time we get to the second one, you may not have the political capital to do it. And if you do, if you think about the third one, you're outflanked by the right. And this applies to both the Israelis and the Palestinians. So our argument was put it all in one package and say here's what we believe is a fair deal, and then see how we can get the parties across the goal line.

The challenge was not coming up with a formula for a settlement. We know it. The Palestinians and the Israelis came very close in 2000. Abu Mazen and Olmert came very close in 2008, so we kind of know what the package looks like. The challenge is what prevented us from moving it across the goal line? That's the issue.

We think that if it was one up-or-down vote it would be easier for the parties than if it was dribbled out. So this is our position: Palestinian state on 67 borders with minor, mutually agreed-to adjustments, resulting in swaps of equal value, equal size; East Jerusalem as the Palestinian capital.

And then the security arrangements, John Allen came up with them in the beginning of the Bush administration and they're probably sitting in a file somewhere at the NSC. So it's not rocket science. But the Trump

administration has been looking at coming up with a different approach to see how they can get to that point. And they have been consulting with countries and partners in the region and seeking advice, and we have offered them the advice.

MR. JONES: And not all of it did they take, but that's another story. (Laughter)

MINISTER AL-JUBEIR: We don't know yet. Yeah, we don't know yet.

Now, we believe that the issue of Jerusalem, declaring it Israel's capital, was not helpful. It was a setback. We warned about it. We expressed our position on it publicly when it was announced. But now we want to see what -- how can you move this process is forward.

MR. JONES: There are many other questions I could ask you. The whole of North Africa we haven't touched on. But I want to turn to the audience and we'll open it up and we'll move forward. So, Martin, right, a first question.

MR. INDYK: Thank you, Bruce. Mr. Foreign Minister, welcome to Washington. Welcome to Brookings. It's very good to see you again.

I have two questions if I'm allowed. One is a follow-up naturally on what you said about the peace process. You yourself have been involved in the effort to promote Arab-Israeli peace I think for as long as I have. And the Saudi position has been consistent, as you outlined it. Recently, of course, there's been talk about an outside-in approach that the commonality of interests between Israel and the Sunni Arab states led by Saudi Arabia vis-à-vis Iran

creates an opportunity for Saudi Arabia and its Sunni partners to play a more upfront role in the peace process and talk about pressing the Palestinians, providing them with large amounts of money. There's been a lot of this kind of talk, which you're very familiar with.

What do you say, has there been any change under His Royal Highness Crown Prince Mohammad Bin Salman in the Saudi approach? Or is it entirely consistent with the one that you've been promoting for all of these years?

The second question is about President Trump, who has made friendship with Saudi Arabia a pillar of his approach to the region. But I wonder how you view a lot of the other parts of his approach to the world. In particular, Saudi Arabia in the past has been very concerned about the reliability of American presidents. And I wonder whether the way in which President Trump's movement back and forth on various issues creates a concern about his willingness to stay the course with the policies that you appreciate.

MINISTER AL-JUBEIR: Thank you. No, our policy with regards to resolving the Arab-Israeli conflict is the same. We have played an increasingly active role in this process, as you know, since the Madrid Conference. We attended the Madrid Conference, we attended the multilateral talks. In 2002, we put our own initiative, which became the Arab Peace Initiative, on the table which was a very bold step.

We have been involved with trying to move or come up with a plan under Secretary Kerry and we have said to the Trump administration that we're prepared to work with them as partners in moving the process forward. But

ultimately, it's up to the Israelis and the Palestinians to make the deal. And the outlines of the deal are as I mentioned to you.

The question is, can we find a way to get the parties there? It's not going to be easy and you've been through this for 28 years now, right. But that's where I position is, so our policy has not changed.

With regards to the commonality of interests, or the outside-in approach, we think that the fruits of peace have to come at the end, not in the beginning, because then where's the incentive? We believe that the Middle East can be turned into a very prosperous area. What we're doing in Saudi Arabia that I mentioned to you in terms of economic reforms, major ones, you look at the Emirates, you look at Kuwait, you look at Qatar, you look at Bahrain. Egypt is a bright spot. Egypt is now not only standing on its feet, it's running.

And so we think if we can link the Middle East, and the Iraqis are coming back, if we can link the Middle East into some type of common market, we all benefit, including the Israelis. But it can't happen unless we have peace. And so that remains our approach.

Now, the nation states tend to be rational actors and they pursue their interests. And the commonalities of interests that exist doesn't mean you have to have relations. So that's where we are in that area.

The second question, sorry.

MR. INDYK: Trump's reliability as we go forward.

MINISTER AL-JUBEIR: Yes, I want to make it clear that we -- there has not been an American President since FDR who was not committed to

the security of Saudi Arabia. We have no doubt. None of the presidents we thought was soft on this issue.

There were disagreements with some administrations with regards to how we think they should handle regional crisis, a certain crisis in the region; how they should handle Iran; how they should deal with the peace process; how they should deal with -- and those disagreements are natural. Your NATO allies don't see eye-to-eye with you on every issue, but they are all committed to the security of the North Atlantic, as are you. That's the relation.

So we don't see any American President as unreliable. They're all reliable when it comes to the U.S.-Saudi relationship.

With regard to President Trump, he believes America should play a role in the world; so do we. He believes that the U.S. should support its allies and push back against its adversaries; so do we. He believes in containing Iran; so do we. He believes in going after extremism and terrorism robustly; so do we. And so we have a great relationship with him and his administration as a consequence.

The people he appointed as Secretary of Defense, as Secretary of State, as CIA director, as NSC advisor, they're all well-known to us and they're very solid, very experienced individuals who share that outlook. And so our relationship, what we have done is decided to further institutionalize the relationship at all levels, in all departments, so that we come up with objectives for the next 20, 30 years, and we come up with mechanism to implement those objectives so that our relationship can then be on autopilot and not subject to

personalities and so that we have complete transparency in terms of knowing what your objectives are, what our objectives are, how we can align those objectives, and how we can most effectively work toward achieving those objectives.

MR. JONES: I think we have time for a couple more questions. Are you still okay on time?

MINISTER AL-JUBEIR: Fine.

MR. JONES: So we'll take one in the front, one on the side. Maybe we'll take two or three questions and you can answer.

MINISTER AL-JUBEIR: Okay.

MR. JONES: Please. Please introduce yourself.

SPEAKER: Thank you, Bruce. I'm Nadia (inaudible) with The Law Review. Mr. Foreign Minister, during his meeting with the Crown Prince, General Allen said in the Pentagon today that he wanted to see the war in Yemen coming to an end. I believe he said it twice in different wording. He also said that he wanted to guarantee the security of Saudi Arabia.

How do you achieve that? Who is going to force the Houthis to come to a negotiation table if you want to see an end to the war in Yemen? Thank you.

MR. JONES: There were a couple questions on the side here.

MR. LANDE: Thank you. Steve Lande, Manchester Trade. We owe your brother many favors, so I pass on a thank you.

MINISTER AL-JUBEIR: Thank you.

MR. LANDE: We have more of an economic question. And to phrase it very quickly, we think there are many opportunities for Saudi Arabia cooperation with the Trump Administration. One area we think is in development of infrastructure because it's such an important goal of the two administrations. Two is in bringing industries back to the United States which can be based on finished products coming out of Saudi Arabia, chemicals consistent.

Is there anyone who's focusing on "this joint work together" in economic development beyond all of our other cooperations? Thank you again for giving us the time.

MINISTER AL-JUBEIR: Thank you.

MR. JONES: One last question? Sure.

SPEAKER: Milo Wazir, Russian embassy in Washington. I took note of what you said about pushing back Iran. Now Iranians come up with ideas of engaging with Saudi Arabia and its neighbors in a kind of multilateral dialogue in the Gulf with the Gulf countries to address concerns that Saudi Arabia has, could Iran have. How do you take this proposal on the part of Iran?

MR. JONES: Okay. So a question on Yemen, a question on trade, and a question on -- this last question. I also want to add one thing that we didn't touch on.

You talked about the economic reforms in the country. We talked briefly on the energy reforms. You didn't touch on human rights, and I think there'd be a lot of interest to hear where human rights fit into the reforms, et cetera.

MINISTER AL-JUBEIR: Okay. With regards to Yemen, we are working with the U.N. Special Envoy to try to move the political process forward. When we commenced military operations three years ago, I was the one who made the announcement when I was ambassador in Washington. And I said at the time that the only solution to the Yemeni crisis is a political solution, and we have been trying to work on it ever since.

And so how do you get the Houthis to accept? They have to realize that they're isolated. They have to realize that instead of controlling the whole country, they control less than 15 percent of the territory now. They have to realize that the international community will not allow them to take over Yemen. And then they have to realize that they have a way out and it's a fair way that gives them a role in the future of Yemen and that ends this war in Yemen and shifts towards reconstruction and development in Yemen.

And we think that we'll continue to explore those possibilities, but, ultimately, in order to make peace you need two sides to say yes. We have the legitimate government of Yemen saying yes and we have the Houthis saying no.

The Houthis used to be allied with former President Saleh and then they murdered him, and so now they've lost his party and they're alone in Yemen in terms of the political process. And so we think in time there is no solution for them but a political solution, and that's what we're doing. But we're determined to keep up the military pressure on them until we have a settlement of this issue.

The second question was about investments in the U.S. We

have, between Saudi private and government investments, we probably have close to \$800 billion invested in the U.S. We still look to the U.S. as an attractive destination because of political stability and because of your dynamic economy.

For infrastructure we have committed \$20 billion to invest in infrastructure projects in the U.S. because we think the returns are good and it's stable. So that's one part.

In terms of petrochemicals and so forth, we have huge investments. The largest refining complex in the U.S. is owned by Saudi Aramco. The largest chemical complex probably in the world is in Saudi Arabia and it's owned by Dow and Aramco. So we have a lot of investments, both American investments in Saudi Arabia and Saudi investments in the U.S., and we continue to look for those.

Now we're looking at things like local content. We want to be part of the supply chain of American defense contractors so that when we buy equipment from the U.S., a certain percentage of it is manufactured in Saudi Arabia. We can then acquire the expertise and the technology. And then we can manufacture for products that go from those companies to other countries. So we're looking at this very seriously.

We have an office for strategic partnerships that is looking at a lot of opportunities for investments by American companies in Saudi Arabia and by Saudi companies and the Saudi government's public investment fund in the U.S. We're looking at trying to develop Saudi Arabia as a transportation hub. Almost 13 percent of the world's trade goes through the Red Sea, yet we don't have any

logistics in the Red Sea for that. We want to develop this.

We want to build a futuristic city in the north of Saudi Arabia called Neom that will focus on artificial intelligence, robotics, clean energy, renewable energy, that will focus on technology that will act as an incubator so that we can bring young innovative people with ideas to Saudi Arabia so we can invest in them.

We're looking at investing in tourism and in entertainment and recreation. And we're looking at American companies, we've identified many American companies that can be helpful in this healthcare. So that's the -- we intend to take what is already a very, very large economic relationship with the U.S. and take it to an even higher level.

And the third question with regards to the offer by Iran to have talks, what we're looking for is action, not words. You cannot say you want to have a dialogue when we've had one for 30 years and you're smuggling weapons into Bahrain on a daily basis. The Iranians asked Kuwait to set up a meeting with the GCC countries in order to begin this dialogue. And while they were doing this, they set up the largest terrorist cell that was discovered, the Abdalli cell, with the objective of undermining the Kuwaiti government. You don't do this. You don't say I want to talk to you and then you give missiles to a terrorist group that launches those missiles at our capital. That's the problem with Iran.

And so until and unless Iran changes its behavior, it'll be impossible to deal with them. The Iranians have to decide if they're a nation

state or they're a revolution. If they're a revolution, they're emotional and irrational and we can't deal with them. If they want to be a nation state, then they should act like on and we haven't seen them act like this.

MR. JONES: Human rights.

MINISTER AL-JUBEIR: Oh, human rights. Yes, of course, human rights is part of our reform effort. And when you look at Saudi Arabia and you look at what has happened over the last 50 years, the trajectory is very clear.

First, we think you have the right to security. You have the right to education. You have the right to healthcare. You have the right to opportunity. When you secure those, which we have, then you look at other things.

If you look at our political system and participation in Saudi Arabia, we went from no government institutions to institutions. We established a consultative council in the early '90s, 60 members, fairly limited powers. Now it has 150 members, 20 percent of them are women, and they have much broader powers than they had before.

We have human rights organizations, a private one and a public one. We have opened up the space in terms of our media and public discussion and public discourse. We are, as I mentioned, probably the most connected people on social media in the world, which I can't say about the Iranians. Their foreign minister has a Twitter account, but he can't Tweet in Farsi because nobody has access to Twitter in Iran. So he's addressing his words to you. He should be addressing them to his people. We don't have that problem.

And so we're moving forward in those areas. We're looking at our

loss. We're looking at improving the training of judges and we're looking at codifying laws so that we have more clarity in terms of how -- it's like in your system you have sentencing guidelines. We're looking at things like this to improve it, and it will improve.

Women can drive come June. Women can attend sports events. We appointed a minister for women's sports. The guardianship system is changing. The limitations are being relaxed.

One of our senior ulama, religious scholars, issued an important statement saying women don't have to wear black abaya. Who says it has to be black? The Koran says modest dress.

We have now entertainment in public spaces. We have concerts which was not available a few years back. So it's evolving.

And on the issue of human rights it will continue to evolve because it has to evolve. We know this and we're moving in that direction.

MR. JONES: We're out of time. There are a number of things we could follow up here, both on the internal questions and the external. I just want to make two points as we conclude.

The new Special Envoy for Yemen, Martin Griffiths, is an old friend of many of ours here. And we have some expertise in peace processes. We have some expertise in reconstruction. And if there are ways that we can be helpful to him or to you in that effort, I know that we'll lean into that.

It's a crucially important relationship. I think there's nobody in Washington who doesn't understand that the stability of Saudi is crucially

important to the United States, so thank you for the role that you play in maintaining that and in maintaining this vitality important relationship. And thank you for being at Brookings.

MINISTER AL-JUBEIR: It was a pleasure. Thank you.

(Applause)

MR. JONES: Please stay seated in the audience while we escort the foreign minister out. And thank you all for being here.

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CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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