

**CENTER FOR
STRATEGIC AND INTERNATIONAL STUDIES
(CSIS)**

“IRAQ: AFTER FIVE YEARS”

**WELCOME AND MODERATOR:
ANTHONY CORDESMAN**

**SPECIAL GUEST SPEAKER:
HIS EXCELLENCY SAMIR SUMAIDA'IE,
AMBASSADOR OF IRAQ TO THE UNITED STATES**

TUESDAY, APRIL 8, 2008

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

ANTHONY CORDESMAN: Good morning, ladies and gentlemen. And thank you very much for coming on what is an extraordinarily busy and complicated day in Washington. I hope that Ambassador Sumaida'ie will forgive me if I do not introduce him by focusing on what has been a very distinguished career. I think what is really important today is that he speaks for some 28 million Iraqis. And it is very easy to forget this at a time we are so focused on our own problems and our own issues with this war.

So if I may set the stage for the ambassador's remarks, let me remind you of a few historical realities. Iraqis have lived with war and tyranny since Saddam carried out a blood purge of the Ba'ath party and Iraq's other political parties in 1979. That is a period of 30 years. Every Iraqi under 50 has lived through the turmoil of eight years of war with Iran, an effective national bankruptcy and dependence on foreign war loans that began in 1984, and then the invasion of Kuwait in 1990, and the Gulf War in 1991.

Between 1991 and 2003, the Gulf War was followed by half a decade in which there was no Oil-For-Food program, or functioning pattern of Iraqi oil exports. It was then followed by a failed and extraordinarily corrupt U.N. Oil-For-Food program that lasted from 1996 to 2003. The country was divided by Kurdish isolation in the north and by the regime's low-level civil war against Shi'ites in the South. Since then, Iraq has seen a U.S.-led invasion in 2003, and five years of occupation by U.S. and allied forces.

When you put that in perspective, every young man and woman in Iraq, some 10 percent of a very young population, has come to adulthood since the United States invaded Iraq. We have dominated Iraq's efforts at nation-building, political and economic development, the creation of its security forces, and the counterinsurgency campaign. Half a generation of Iraqis have lived with resulting insecurity and with unemployment and underemployment levels approaching or exceeding 50 percent.

It is certainly true that Iraqis need to take responsibility for their own actions. But if I may say what the ambassador cannot, we need to take responsibility for ours. Regardless of the reasons we went to war or of what we may individually think of the war, we cannot afford to ignore the fact that our actions have impacted on an entire nation, and one to which we now have a moral and ethical obligation. With that introduction, Ambassador, let me turn things over to you.

HIS EXCELLENCY SAMIR SUMAIDA'IE: Thank you, Anthony. Thank you very much, and thank you for coming on this day. We have been upstaged – (laughter) – but it seems that we still have an impressive audience.

I spoke at this forum before, and I'm honored to speak again. Mr. Cordesman is an impressive thinker and writer. And I have not stopped admiring the thoughtfulness and the thoroughness of his approach in looking at the Iraqi situation, which is very complex and requires the kind of intellect that he has. And only yesterday, he produced an excellent paper accessing the current situation and projecting forward. And I don't think I can say anything that is more eloquent or comprehensive. But what I'd like to

bring to this meeting is, as he said, the Iraqi perspective, how we Iraqis look at things. That seems to – oh, excuse me.

On Iraq, we are plagued by people making wrong assumptions. Just before – in the months leading to the intervention, the American intervention in Iraq, there was a frenzy in the media about what to do about Iraq, and there was a great expectations. And there were also many simplistic assumptions about what Iraq is and what it is made up of – this idea that Iraq is just a country made up of Sunnis, Shi'a, and Kurds, who are destined to be at each other's throats forever. And if you only get some sort of working arrangement between them, then you've got Iraq sorted out.

This assumption has really not gone away completely. It has been splintered, but it still seems to be the general perception about Iraq. Iraq is a much more complex society. And even with Sunnis and Shi'as and Kurds, there is a lot more overlap. There is a lot more overlap than people know about.

First, about one-third of the urban populations are made up of mixed marriages between Sunnis, Shi'as, particularly, and also Kurds. There are more Kurds in Baghdad than in any other Kurdish city, more than 600,000 Kurds in Baghdad. There are Sunni towns in the south, such as Zober (ph) near Basra. And there are Shi'a towns in the west and the north. And I can go on. It's not so tidy, in other words. And there are of course many other components such as Turkomen and other – in terms of ethnicity – and like Zidis (ph), and Christians, and many others in terms of religion.

So Iraq is a tapestry woven by history over centuries. And this tapestry has been hanging there quite beautifully, except when there was foreign intervention. It was disrupted during the – during raids made by the Ottomans or the Sophabets (ph), the Persians, but only in a transient manner. It always came back to an equilibrium of peace and relative tranquility.

When Iraqis are left alone, they just, they generally get along. So that is one piece of that background. The other piece of the background is that we had for decades a totalitarian dictatorship which determined every detail of national life. Saddam was a control freak. He wanted to know not only what people did but what people thought. He built institutions to control the people, and the institutions were made up of people of course, recruited from, generally from rural areas, low-level of education, easy to manipulate and incentivize. And those people formed the backbone of his regime. They were numerous.

Apart from those, the institutions of the state were very weak. Security apparatus represented more than 50 percent of employment in Iraq, so you can imagine. That was the country.

When Americans, the Americans breezed in, that was destroyed, and there was nothing else. I can also add that during the years of the sanctions, the meaningful part of the working institutions providing services had collapsed. So we had total collapse of the

state when the Americans came into the country. In this vacuum – and politics, like nature, does not like vacuum – stepped in anybody who could step in internally and externally. Neighboring countries wanted to grab a foothold, and the political entities that existed mostly in exile, moved in to claim whatever they can claim of this potential huge pie that came into being.

As a result of the recent history, the main people who were organized were the Kurds and the religious, or the Islamist parties. The secular organizations were very underrepresented, and as a result, we have a political landscape which is dominated by the Islamists and the Kurds. Before the country was really recovered and was ready, the elections were conducted. And that sort of froze the political scene into a situation where – which is dominated by Islamists on the one hand and the Kurds on the other

Now, I submit that all of this, though – all of these features, though they are profound and important and will impact the development of Iraq, are still superficial to the fundamental long-standing culture of the Iraqi people, and that is essentially secular, essentially non-sectarian, and nationalistic, nationalistic in the sense of their being an Iraqi national identity. That, in my optimistic view, is ultimately going to trump and is going to guarantee the coherence of Iraq as a single state.

And to back up this claim, I point to a number of surprises that the pundits must look to. A year ago, nobody would have expected the awakening movement driving the al Qaeda out. The Sunnis got tired of the brutal nature of al Qaeda and got tired of the terrorist killing their fellow Shi'a in their name, and drove them out of their towns and villages. That, to some extent, was the biggest surprise in the current Iraqi scene.

And we are seeing other surprises, nationalist Shi'a leaders standing up to Iran. The common wisdom is that Shi'a have loyalties to Iran. Not true. Iraq Shi'as are Iraqi first. They are Arab first. In fact, they resent the fact that Iran speaks for Shi'a. They consider that Nejef, the Vatican of Shi'aism, and that Nejef theology should be dominant in the Shi'a world. Potentially, this rivalry between Nejef and Khom (ph) is going to be very important in this tug of war, in this competition. And I believe that Iraqi Shi'a generally are very – are very strongly opposed to Iranian domination.

And we have spectacles such as the unifying Kurdish figures such as Talabani. He is the president of the whole country and he has played a very unifying role between all factions in Iraq. He is a Kurd. He is a nationalist Kurd, but he has proof to be an excellent representative of Iraqism, if you like.

And we have other features that time does not allow. But the point I am here making is that there are things, which are outside this simplistic image of Iraq being completely and hopelessly divided, and will ever be divided, and forever be divided. There are people in Washington who have put forward the idea that in order to achieve peace in Iraq, you need to actually separate the components, divide Iraq into three geographical components. I have expressed in the past my opposition to this; in fact, not only myself, the government of Nouri al Maliki has done so, and practically all of the

blocks in Iraqi parliament declare their opposition to subdividing Iraq on sectarian or ethnic basis. So Iraqis again may be – they have surprised the pundits on this as well.

Let me move to another angle to help understand Iraq a little better. I am not a Marxist, but I do believe there are classes in society. And in Iraq, one of the things that happened was in fact a revolution of the underclass, and the diminution of power by the middle class. The underclass, which is now led by Sadrists and other movements, there is – there is a huge section of the Iraqi population which was deprived for decades. It lacked services, it lacked education. It was used as cannon fodder in the wars of Saddam. It was disenfranchised and had very little power.

The people who have power over it are the clergy. And now they have found an opportunity. When the middle class was disseminated – sorry, what is the right word – was weakened considerably in the years of the sanctions, and we can further, by certain decisions taken in the first year or two of American rule in Iraq, the underclass came to the fore with considerable influence on it by the clergy.

Now, they were behind a lot of the violence. And I would say this underclass on the Sunni side and on the Shi'a side – on the Sunni side, they were the foot soldiers of al Qaeda. On the Shi'a side, they were and are the foot soldiers of Jaish al Mahdi, the Mahdi army. And therefore they fed this furnace of extremism, which was driven by leaders who wanted to exploit it and fed by external influences for obviously geopolitical purposes. So that gives us another dimension of looking at the situation in Iraq.

In order to move away from it, move out of it, we need to curtail this new power by strengthening the institutions of the state, give these people education and services, but stopping them from hurting themselves and the rest of the nation. That in social terms is a central role of the government of the new era.

Now, what should the Americans do? They find themselves embroiled in this complex brew, this complex mix of struggles, which are layered – they are multiple struggles going on at the same time, both locally and regionally. What should the Americans do?

Well, as Mr. Cordesman said in his paper yesterday, Americans have influence, but they do not have control. But this influence must not be underestimated. It's considerable. Anybody would have considerable influence with 150 or 160,000 troops on the ground. It's – it goes without saying. They could use it to benefit themselves and the Iraqi people I believe.

Until now, there has been an obsession by the Americans with numbers: How many policeman they have trained. They don't talk a lot about what kind of policeman they have trained, but it's how many. How many soldiers they have trained, and so on and so forth. How many projects they put out? It doesn't matter if all of the money went into corruption, but how many projects? How much money has been spent?

There has got to be more attention to the quality, the quality of the training, the quality of the recruits, the quality of the equipment, the quality of the institutions, the quality of the leadership, and the quality of integrating these different institutions together. Numbers sometimes get in the way. They are sometimes counterproductive. When you have a police force which is inundated by militiamen, that is no use. It actually hinders security rather than enhance security. The police – when the people lose trust in their security forces, they stop going to the security forces with useful intelligence or useful information. Then it renders everything useless.

So get away from that and concentrate more on the quality of help. A lot of American money, a lot of taxpayers' money was spent in Iraq. I would say that it could have been spent better and it could have produced a great deal more benefit both for Iraqis and for the Americans.

We have elections coming up in Iraq, provincial elections in October and national elections next year. Both of them are important milestones to improve representation and take the government from one level to another. And we are not going to progress suddenly overnight into something that is perfectly harmonious and functional. We are going to progress slowly in fits and starts and we will probably have this progress punctuated by setbacks, but we will be progressing. But we have to make sure where to put our efforts and focus so that we accelerate this progress. And I think these next elections are going to be important. I think we need help from the United States and from the U.N. to make these elections work better for the Iraqis.

The first set of elections were – created a lot of problems for two reasons. First, they were too early; we were not ready for them. And secondly, they were – the system they adopted was based on an open ballot. That is, a voter gives his vote or her vote to a ballot number, not to a specific representative. So there are many people on these ballots that the individual voters don't know about but that actually favor a sectarian representation of – in parliament. And I think we need to get away from that. The provincial elections will break that mold to some extent, but we need to pay attention to those.

The Americans can help various Iraqi political factions to moderate their demands, and I think they have a lot of influence on individual leaders, and I'm not here advocating strong-arms tactics, but I think messages can be delivered very clearly. And the Americans can influence our neighbors, particularly here the neighbors with whom they have excellent relations with. Our Arab brothers have disappointed us unfortunately. They have certain phobias and unrealistic expectations of Iraq. They have a lot of complaints. But they are not willing to step up and help. And we are disappointed. And I think it's necessary for them to share some of the burden because a destabilized Iraq, a collapsed Iraq, a failed Iraq would be a disaster for them. An Iraq dominated by Iran would not be exactly what they want. And, therefore, if they want to stop that from happening, they have to share some of the burden.

What of the future? As I said, there is no magic wand. There is not going to be a magic transformation. This is a painful process. The Americans got themselves into this and they bear a lot of responsibility for what has happened. In the word of a certain prominent figure – I will not quote his name but I will quote what he said – the Americans came in uninvited; they should not leave uninvited. I think they have to leave in a responsible manner.

We want them to leave. Let's be very clear. Ultimately, Iraq has to be independent – totally independent, stand on its own feet, and have a long-term relationship with the United States built on mutual interest. And in that context, these negotiations that are going on for a long-term agreement are very important. They are important for Iraq and important for the United States. And I believe we should pursue them and bring them to an end. And they are not an attempt to tie the hands of future leaders. But they are a statement of intent about the future relationship that I think is now, for better or for worse, we are now together in this and must succeed together.

So it is going to be – I believe – steady, slow, sometimes bumpy progress, but very difficult and very painful. This is a long recovery from what was a terminal illness. But I think recovery is possible. I think the underlying culture of the Iraqi people inherited almost in their genes. It's there in their subliminal minds. They will pull it off, having survived centuries of wars and conflict. They have mastered the art of peaceful and harmonious coexistence.

And you might smile when I say this, because the images that come to your mind are the images of blood, strife, violence, and a lot of sectarian and ethnic conflict. These – for us Iraqis – we know they are alien to us. They are perpetrated by a fringe. And we have absolutely no problem dealing with each other across ethnic boundaries, across sectarian boundaries. There is no animosity amongst the average Iraqis.

And you see a lot of examples of refugees, Sunni and Shi'a refugees driven out of their homes to Syria or to Jordan, only to share houses in Syria or Jordan. We have no problems. We have problems with extremists. And if we can deal with those, we will be safe.

And for the United States to gradually reduce the burden, gradually shift some of it to others, and certainly to us – and we are ready to take up the slack – but to expect miracles overnight, to expect that there will be solutions very quickly, that would be unrealistic and, I think, that is what the future will be. In five years' time, where will Iraq be? I think Iraq will be considerably better, in a better place than where it is now. But still, work in progress – that's what I see in the future. And a lot more hard work, but certainly a lot more hope.

Thank you very much.

(Applause.)

MR. CORDESMAN: Thank you very much, Ambassador. Before I open things up for questions, a few mild ground rules. The ambassador is the speaker. So when I recognize you, please have a question, not a speech. Second, please do identify yourself. But to do that, you're going to have to wait for the microphone. So with that very brief set of rules, let me open things up for questions. Please, do we have the microphones? Forward, please, the lady.

Q: (Inaudible) – I am Yasmine – (inaudible) – from the Saudi Press Agency. I actually just had a question, which was something that was a concern in the beginning of the war, something that was called the brain drain. And I was wondering now, everything, when the invasion started, it was kind of all Iraqis' lives were flipped upside-down. Now, to get back to any kind of normalcy or even a semblance of it, there's people that need to come back; education needs to be restored; and things which makes up life in Iraq or other places. How is the government working to restore any of that kind of stuff, aside from security and military levels and all that? What is the government doing?

AMB. SUMAIDA'IE: This is an important point, Yasmine. It links to what I said about the middle class being decimated. The country has almost been decapitated by the removal of much of its educated segment. The solution has to be security-led. Security is the key. When it is secure enough, people will come back. And they are coming back now in a trickle. But more has to be done on the security in order to make sure that these people feel safe enough to come back.

We have lost a lot of people. But we have not lost everyone. There are still functioning universities, hospitals, government departments. We have an oil industry that is working. We are producing about two and a half million barrels a day, miraculously because the infrastructure is so dilapidated. But we have very clever engineers, very competent managers. I mean, it's not all black. We have a lot of competent people still on the ground. But we have to strengthen them, augment them, and produce the conditions necessary for others who are outside Iraq to get back to Iraq.

And it's not only those who will come and work in these roles. It is also Iraqis outside who will come back to invest and start projects and get the economy going. So that is very important. And as I said, it is going to be security-led. Thank you.

Q: John Cruise (sp) from the House Armed Services Committee staff. Your Excellency, you mentioned the provincial elections. You're confident – here we are less than six months away – they're going to meet the 1 October deadline for the provincial elections? Or you're confident they're going to occur at all?

AMB. SUMAIDA'IE: Thank you. It's a relevant question. When the provincial law was passed recently, as you might remember, the presidential council had objections to it. It was returned to parliament. Then, those objections were actually withdrawn or removed, not because there were no concerns – there were still concerns – but there was also a realization that these concerns were secondary to the importance of having the

elections on time. So there is consensus that these elections should take place because until now, we really don't have a proper balanced representation of the people of Iraq at the local level.

So there is political realization. There is a realization at the political level that this is important. Now, as we saw in the flare-up in Basra recently – and there might be others – there will be some impediments to this. Can I guarantee that these elections will be elected on the first of October? No, I cannot guarantee that they will. But all I can tell you that there is a serious intention of having them done on time.

More important than having the elections on time is to have them conducted in a smooth and fair way without intimidation, without the subversion of the will of the people. That, I believe, is more important than the actual conduct of the election. And that's where we should concentrate our attention.

Q: Barry Schwite (ph), Associated Press – because Congress today is absorbed with the troop issue, could you – you spoke a little bit about it – pass the burden on gradually if we want Americans to leave? Could you be more specific about when you think it would be a good idea for the troops to depart or to be substantially reduced? You're hopeful about the future, so perhaps you can feel safe making some predictions when they ought to leave and turn it over to Iraqis. I don't know what you mean by share the burden with other countries, with other military establishments, or you mean with Iraqis.

AMB. SUMAIDA'IE: I certainly meant with Iraqis, as Iraqis become more competent. And in this, I go back to the improvement, not in numbers of the Iraqi security forces but in the quality of the Iraqi security forces. That is the shortest route to reducing American involvement. Share the burden maybe in different ways with our neighbors, possibly financial contributions, possibly political help – those kind of help. I am willing to predict that there will be a gradual reduction over the next few years of American involvement and commitment in Iraq. But I am not willing to say – to get into numbers and dates because that has to be left to local conditions.

Q: Thank you.

MR. CORDESMAN: The gentleman in the middle over –

Q: Hi, Adam Graham Silverman, Congressional Quarterly. There's been estimates of Iraqi wealth or investment in the U.S., Switzerland, and even Iraq into the hundreds of billions of dollars. I'm wondering if you think that Iraq can –

AMB. SUMAIDA'IE: Sorry, investment of what?

Q: Just I'm sorry money.

AMB. SUMAIDA'IE: Iraqi investment?

Q: Yes. I'm wondering if you think that Iraq can do more, should do more, spend more on its own reconstruction. This is an issue today on the Hill. And also, with regard to a long-term status agreement, the statement of principles that came out last year had alarmed a lot of people on the American side in Washington. I'm wondering if you can, from an Iraqi perspective, say what – give your interpretation of that initial statement of principles and say what among those principles are going to be really the key parts of this long-term agreement?

AMB. SUMAIDA'IE: Thank you. On the first issue, Iraqis have ambitious budgets – the Iraqi government has an ambitious budget, which includes considerable sums spent at local levels and provinces, creating jobs. That links directly to the security situation. We believe that getting young people working is very, very important to stabilize the country in security terms.

However, we do have a capacity problem. Some of our ministries simply because some of them are being put together from scratch almost, still don't have the capacity to manage and administer and run these budgets. Some of them are plagued with corruption problems and other problems. And we have to strike a balance between just throwing money at problems but without control with the need to spend money. We need to spend money but we must guard against wasting money because ultimately, that money belongs to the Iraqi people. We are making good progress on this. And the balances that we have, have to be obviously also invested properly and wisely.

On the monetary front, on the financial and monetary policy, on both cases, we have made actually good progress. We work very closely with the World Bank. And we have met all the targets that were set for us in reducing subsidies, or in some cases abolishing subsidies, and keeping the value of the dinar stable, and controlling inflation. All the indicators, we have managed so far successfully. We have managed to reduce the debt burden also hugely by an international campaign, which was culminated by an agreement with the Paris club.

So we've made progress on that front. And maybe these funds that you refer to are the results of this success. But we need – certainly we recognize that we need to spend and spend as quickly as we can to help the country recover economically.

MR. CORDESMAN: The lady in back.

Q: Mr. Ambassador, I'm Viola Gienger from Bloomberg News. I wonder have you had any discussions with the Democratic presidential candidates. And what do you feel is their level of understanding, depth of understanding of the Iraqi situation, considering their talk about withdrawing troops as quickly as possible from Iraq?

AMB. SUMAIDA'IE: Well, thank you. I try to stay away from the politics of the election campaign. But I think it will be sufficient to say that I have channels of communication with all, anxious that all candidates are informed of our perspective of the

relationship between Iraq and the United States. And I believe that no matter which candidate succeeds, he or she are going to look at the reality of the situation and will have make responsible decisions at that time. Now, it is all about getting votes. When the candidate is successful and is in the White House, that candidate is going to have a different mindframe and will have to act on the basis of American national interest. And I think at that point, probably most of the choices will converge.

MR. CORDESMAN: The gentleman in the middle there?

Q: Yeah, Chris D'Angelos. I'm from the U.S. Trade Representative's office. Considering the considerable amounts of assistance that are going into Iraq, you mentioned that the quality has to improve. I'm just wondering if you can tell us a little bit more on how you think quality should improve. And also, not to dismiss numbers completely, I'm wondering what success the government of Iraq has on creating jobs, which you also mentioned. Thank you.

AMB. SUMAIDA'IE: Sorry. Qualities has many aspects to it. When you have a training program, if you put more resources in the selection of people, in the vetting of people, there is no use in recruiting hardened criminal and making him a police officer. The simplest thing is to just check criminal records. We discovered early on – as you know, I was briefly a minister of interior, 2004, during a very tough time. I reached the conclusion that I had 20,000 people at least in my ministry that I had to get rid of.

Getting rid of people is not easy; it's a process. And a simple check of criminal records dispensed with 5,000 people in one go. Now, those people were in the police. Now, spending money on training those is not a very wise thing. It's simple. But it's not only that. It is putting in filters and screening mechanisms and oversight to ensure that the system keeps bad people out but also continues to weed out the bad elements. It's not a one-time process.

Coordination between departments, within the security forces or between the ministries even – this has to be improved. At the moment, this is lacking. This is a very wide field. But the amount of money that has been spent on weapons, for example. It's easy; you order so many guns or so many armored personnel carriers and you deliver them. But if you don't deliver them to where they are needed, it's not going to be very helpful. In many cases, they disappear in transit. Some of them are not accounted for. Now, if we end up arming militias instead of arming the police, that's not going to be helpful to us. So it's controls; making sure that what we spend reaches the targets.

You spend, say, \$100 million on a project that is supposed to activate the Iraqi economy. Okay, so you give the \$100 million to an American company, big American company. We subcontract it to a Kuwaiti company at half the price. And that Kuwaiti company will subcontract it to a number of local Iraqi companies who sell it on to other companies. At the end, you get a few people with buckets of paints and brushes and that's it. How much of that has actually been translated into benefits at the end to use? It's that kind of quality.

Quality is everywhere and we have to make sure that it is delivered. If we don't, we are not only wasting resources. We are helping our enemies. That's much worse.

Let me just go back. I've just realized that I did not answer the gentlemen over there about the long-term agreement. I apologize. I think we need to have a framework for the relationship between Iraq and the United States. We are now in – we are focused on what we have to do today and next month and in the next few months. We need to look at this in the longer term. What kind of Iraq do we want to have? And what kind of a relationship between that Iraq and the United States that is going to benefit both countries?

The declaration of principles which was made last – I think it was August of last year – between the Iraqi government and the American government, specifically between President Bush and Prime Minister Maliki – outlined an agreement, which sees a very close relationship on three levels: security, political, and economic, which benefits both countries. I think that is very helpful to spell out and becomes the guiding principles for our relationship in the future.

It's not binding in the sense that some people feared, like it's sort of a blanket guarantee for Iraqi security for all future years. That's not the idea. The idea is that we both understand that we need to be allies and this alliance is going to be very important and beneficial for both of us. It is a stabilizing factor in the region also. It is a statement to some of our neighbors that, hey, stop there. There is a vital American interest here, and the Americans are willing to defend it. And for the Americans, it is also a commitment that this young democracy will be supported and protected. It is for Iraqis – it is also important that we pledge and declare that we will be friends of the United States, not subservient friends, but friends and allies, that they can rely upon us to stand with them. These are important principles. I think they can be translated into details on all fronts: political, economic, and security as we go along.

And in fact, one of the first things that will result from these principles is the Status of Forces Agreement, which is being negotiated in parallel. I think it is very important for us to delineate the relationship between American security forces and Iraqi security forces and make sure that some of these, for example, foreign security companies are properly accountable, at least under one set of laws that we have to agree upon. Thank you.

Q: Hi, Bay Fong (ph) from the Chicago Tribune. Ambassador, you talked a little bit in your talk just now about how there are nationalistic Iraqi Shi'a groups that were starting to stand up to Iran. Can you just talk a little bit about how they are doing that? And then also, in light of the fighting in Basra and in Sadr City over the past couple of weeks. Can you talk a little bit about how there might be a growing rift between the Iraqi Shi'a groups and whether Iran might have a hand in that? Thanks.

AMB. SUMAIDA'IE: Thank you. I think the action in Basra demonstrated a will by the prime minister to go after outlaws and militias despite the fact that they are of the same sect as he is and as his party is. In this he is sending a very clear message that he is willing to be – and he is determined to be evenhanded. He is not acting on a sectarian basis. Therefore, that also helps in dealing with Sunni counterparts.

In terms of standing up to Iran, I myself was in high-level delegation back in the early days, in 2003 and early 2004, which went to Tehran. And I was with several other members of the governing council at the time. And I witnessed the frankness and almost aggressive sense of independence that the whole team carried to Tehran. There is no readiness on the part of Iraqi Shi'a leaders to act as surrogates for Iran. There might be some people who are incentivized or are ready to work for non-Iraqi parties, whether Iran or others, but they don't represent the bulk of the Shi'a community or the Sunni community. So I believe the Shi'a of Iraq are very Iraqi, and they are ready to resist dictates of Iran. And likewise, Iraqi Sunnis are not going to be tools of any other power outside Iraq. I have that from my own personal experience in dealing with these things, and if you observe on a long-term basis the workings of Iraqi groups, you will find this.

Now, in terms of the Iranian influence in these events in Basra, this has not been documented in detail. As you know, the Iraqi government went on this initiative against the militias and not declaring which militias specifically – and this was not in the context of a confrontation with Iran. It is a principle here that the only people who carry guns in the street have to be security forces. And it is in the defense of that principle that the prime minister started this action.

MR. CORDESMAN: The gentleman in the third row here.

Q: I'm Hideki Wakabayashi, Japanese researcher – (coughs) – excuse me, CSIS. As you know, U.S. forces has been in Japan for 60 years. We think Japan is an independent country – (chuckles) – of course. It seems to me that withdrawal U.S. troops always comes first. I think social, economic, political stability, all of it should come first. So how do you draw the line dependence of Iraq country and the pulling military forces – (inaudible). Could you see that U.S. troop could stay as long as it's necessary? This kind of views – do you agree with?

AMB. SUMAIDA'IE: Yes, it is an excellent point. What we are talking about here is combat forces engaged in daily battles. We hope the need for that will subside and be ultimately eliminated. The choice of whether we need some American forces to be stationed in Iraq in whatever capacity has to be left to future governments. No one is Iraq has ruled that out, and no one is ruling it in. It is something for the future. For now we need to deal with the situation. We need to stabilize the security in Iraq, and for now we need combat American forces to be in the country.

MR. CORESMAN: The gentleman –

Q: (In foreign language.) My name is Craig Shonsman (ph), and I am a student at Georgetown University. I am also an active-duty Army officer who spent a fair amount of the last five years in your country. You mentioned that Iraqi people in general are able to achieve equilibrium – (cough) – excuse me – without foreign intervention. Are there certain aspects of Iraqi society that you think are being hindered currently by American intervention and might prosper quicker without U.S. support and be done by Iraqi's alone?

AMB. SUMAIDA'IE: Well, right now we need Americans to be there. And because the security is the key to all other activities, without security, no other things can be prosper. But there is a lot of activity that is going on without Americans being involved. The entire system of education is moving forward. Higher education and universities are working, and lecturers are going to lecture to students like yourself. This is happening every day.

There are also many local acts of reconciliation. In a sense, reconciliation is being driven from the ground up, not by government, but by the people themselves. Tribal leaders, as you know, community leaders have reached out across sectarian boundaries and made very positive healing initiatives, which translated into calm and security in localities in certain areas. And many of such situations happened around Baghdad recently. You know, there was a belt around Baghdad, which is mixed Sunni and Shi'a. And it was part of al Qaeda strategy to strangle Baghdad by destabilizing this belt and making it impossible to control. It was very clear strategy that would make it impossible or difficult, very difficult to get supplies to Baghdad. In 2004, 2005, we started to sense that kind of strategy. In 2006, it became a reality.

Now, it is in that area that we have had most of these initiatives. And when the – (unintelligible) – awakening people in Anbar moved on al Qaeda, the people in this area also started to have similar actions. And in many cases, we had delegations go from one community to another. And this has transformed the atmosphere in that area. Al Qaeda no longer has a free reign in that area. Baghdad is now safe.

So we have a lot of activities that are being done by Iraqis without intervention by the United States. But I do say that the presence of the United States to have an umbrella over the country in security terms is still important because without that, I don't think these things even can happen.

MR. CORDESMAN: The lady in the front row there.

Q: Good morning, Mr. Ambassador. This is Sharon Behn from the Washington Times. Sorry. Muqtada al Sadr today said that he is threatening to end his seven-month freeze of violence. He came out and said that this morning. Could you please explain to us the role of Muqtada al Sadr and what you think he wants?

AMB. SUMAIDA'IE: I am not sure that even he knows that. We have had conflicting signals from Muqtada al Sadr ever since he became prominent in Iraq. You

remember in 2004 he tried to control Nigef, but he was unsuccessful; he was driven out, mostly by the Niefees themselves. They didn't like the idea of Muqtada al Sadr controlling the shrines. There was another uprising, which was put down. There were the events in Karbala last year. And that was dealt with very effectively by the prime minister.

And that actually resulted in his first declaration of ceasefire. That declaration of not ceasefire – the freezing of the activities of Jaish al Mahdi came because he realized, I believe, because he realized that in such a confrontation you would come out as a loser, and also because there were so many parts of this very loose organization called Jaish al Mahdi or the Mahdi army were totally out of his control. There were guns and some criminal people levying taxes locally or forcing people to pay them money and working in kidnapping and murder. These people working in the name of the Jaish al Mahdi, but he had no control over them. So in order to start to reorganize this sprawling organization, he declared a freeze on the activities of Jaish al Mahdi.

Now they are under pressure again. I don't know how much of this is saber rattling and how much of it is real intent. But I think he is in a difficult position because if he disarms, he loses a very important factor of his power. If he does not, he has to deal with the government and the Americans. He is trying to have it both ways, and it is going to be difficult. So I cannot explain it anymore. I think it is for – the situation will be resolved over the next several months.

Q: Sam Brannen with CSIS. Thank you, Mr. Ambassador. My question is about one of Iraq's neighbors you haven't discussed yet, and that is Turkey. What role do you think Turkey is playing in Iraq's future, especially in regard to military actions in Northern Iraq that it has taken over in recent months? Thank you.

AMB. SUMAIDA'IE: Yes, Turkey is very important to us. We have a lot of economic relations, trading relations with Turkey. But the Turks have a kind of problem with our Kurdish community. They don't feel comfortable that we have given our Kurds so much freedom and leeway. And they feel totally opposed to an independent Kurdistan, which would create more problems to them. Now, we are proud of the way we have dealt with our own Kurdish compatriots. And we believe all Iraqis have no desire to deny the national identity of the Kurds, their right to teach their kids in their own language, the right to express their national identity. But this is done within the framework of being Iraqi citizens, within the framework of being in charge of their own affairs within the region of Kurdistan. That is the way we have resolved that problem. There are details still to be resolved. But in general, this has been accepted by all Iraqis. And we believe this is a fair and equitable long-term solution.

Now, there is the issue of the PKK. We have made it clear in our own constitution that Iraq will not allow terrorist activity on its territory. So we are committed to deal with and oppose any activity that threaten either ourselves or our neighbors. We are bound by our own constitution to deal with that. But you know, in the environment that we are living where we have many security challenges, we cannot deal effectively

with all these challenges. We try our best. Turkey has a very aggressive approach to this problem, although we believe that much of the solution lies within Turkey itself by trying to resolve this situation politically. However, they feel threatened, and they have made some military moves recently, as you know. They were not effective. They will never be effective. It is difficult to remove such threats by military means alone, especially in those areas. They are very rugged and very difficult terrain.

So we always ask our neighbors to the north to refrain from such action and to try and resolve their internal problems through political means, which will automatically render terrorists less – it would render them less powerful and more irrelevant.

MR. CORDESMAN: In the back row there.

Q: Thank you, Mr. Cordesman. My name is Dan Goldstein. I am with Platts Global Alert. Mr. Ambassador, you spoke of the oil industry producing 2.5 million barrels a day, even though it is in a particularly dilapidated state, as you said. What are the Iraqi plans for capital expenditures for the oil industry? And also if you can provide a little bit of background and detail on the status of the oil revenue sharing agreement?

AMB. SUMAIDA'IE: I start with the revenue sharing. It is actually taking place. Oil revenue is being shared, and the right amounts are being dispersed to the regions, particularly to Kurdish region. There is the oil law in parliament, and there are some issues with that law, which are yet to be resolved. But this has not hindered the oil revenue sharing. We recognize that we need to modernize our oil industry, and that will require considerable investment, possibly tens of billions of dollars. We are quite capable of producing upwards of 5 million barrels a day, which would be very helpful to the world economy and the price of oil. I think this would be very welcome at the time when the price is so high.

But for that, we need foreign investment, as well as our own. And for that, we need to pass the oil law, although we are encouraging oil companies to come in and prepare. In fact, we have a number of companies – the ministry of oil is dealing with a number of international companies now in terms of preparatory studies and pilot projects and so on. This is happening as we speak.

Q: (Inaudible) – to ask a question then. When I was in Iraq last, there was a great deal of discussion in the south about the prospects or the idea of a nine-province federation within Iraq as a nation of the Shi'ite-dominated areas. And this is an idea that has been supported by Hakim (?) and others. And I wonder – you touched briefly on the issue of defining the Kurdish area. Could you talk a little about whether this movement towards some kind of Shi'ite federation within Iraq is something that is being dealt with?

AMB. SUMAIDA'IE: Let me say that the constitution, which has been generally approved, but not in its final form, approved with a clause in it, which says it needs to be amended, but as it stands, lays out a mechanism by which provinces can declare themselves as federal regions, either single provinces or provinces in groupings. There

were some ideas put out that several provinces in the south would form a single federal region, the implication being that this region would be predominantly Shi'a and it would be led predominantly by one kind of political leadership.

This scheme, although it has its supporters, it has also a lot of opposition inside Iraq. I personally believe it is a dangerous scheme. I am not against federalism. I think federalism and devolution of power to regions is a good idea generally on an administrative basis, on the merits of bringing power to the people. But to make this on sectarian basis would endanger the unity of Iraq and would create more problems than it would resolve. It would perpetuate state of tension between different regions of Iraq and between the sects. And instead of resolving our problems, it can exasperate them. It would still leave considerable minorities in that region of Shi'a who are not happy to be there. It would have the border or the touchline – defining the border of that region would also be problematic because there is no simple border. There is so much overlap and so much integration that would leave the question of Baghdad also very difficult to deal with.

I think accepting this principle is simply applying this principle of sectarian entities. Iran separately (?) in Iraq would be a dangerous thing for the future of the country. It has never happened in Iraq's history. Iraq has had Sunnis and Shi'as for 1400 years. But we have never had separately administered Sunni and Shi'a regions. It never happened in history. And we don't see why some senators here think it is good, and then we have to apply it.

MR. CORDESMAN: Ambassador, thank you on behalf of all of us. And ladies and gentlemen, may I ask you to express your thanks (in a usual manner)?

(Applause.)

(END)