

For Six Month Period Ending JUL 31 2005
(Insert date)

I - REGISTRANT

1. (a) Name of Registrant

(b) Registration No. *5467 djr*

The Gallagher Group, LLC
(c) Business Address(es) of Registrant

1800 North Kent Street, Suite 907
Arlington, VA 22209

2. Has there been a change in the information previously furnished in connection with the following:

- (a) If an individual:
- | | | |
|-----------------------|------------------------------|-----------------------------|
| (1) Residence address | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (2) Citizenship | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (3) Occupation | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

- (b) If an organization:
- | | | |
|--------------------------|------------------------------|-----------------------------|
| (1) Name | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (2) Ownership or control | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (3) Branch offices | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

(c) Explain fully all changes, if any, indicated in items (a) and (b) above.

N/A

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, AND 5(a).

3. If you have previously filed Exhibit C¹, state whether any changes therein have occurred during this 6 month reporting period.

Yes No

If yes, have you filed an amendment to the Exhibit C? Yes No

If no, please attach the required amendment.

2005 AUG 30 PM 3:01
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¹ The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, and by laws of a registrant that is an organization. (a waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, Criminal Division, Internal Security Section, U.S. Department of Justice, Washington, D.C. 20530.)

4. (a) Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes No

If yes, furnish the following information:

Name	Position	Date Connection Ended
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(b) Have any persons become partners, officers, directors or similar officials during this 6 month reporting period? Yes No

If yes, furnish the following information:

Name	Residence Address	Citizenship	Position	Date Assumed
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5. (a) Has any person named in item 4(b) rendered services directly in furtherance of the interests of any foreign principal? Yes No

If yes, identify each such person and describe his service.

(b) Have any employee or individuals, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting? Yes No

If yes, furnish the following information:

Name	Position or connection	Date terminated
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(c) During this six month reporting period, has the registrant hired as employees or in any other capacity, any persons who rendered or will render services to the registrant directly in furtherance of the interests of any foreign principal(s) in other than a clerical or secretarial, or in a related or similar capacity? Yes No

If yes, furnish the following information:

Name	Residence Address	Citizenship	Position	Date Assumed
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6. Have short form registration statements been filed by all of the persons named in Items 5(a) and 5(c) of the supplemental statement? Yes No

If no, list names of persons who have not filed the required statement.

N/A

II - FOREIGN PRINCIPAL

7. Has your connection with any foreign principal ended during this 6 month reporting period?

Yes No

If yes, furnish the following information:

Name of foreign principal

Date of termination

8. Have you acquired any new foreign principal² during this 6 month reporting period?

Yes No

If yes, furnish following information:

Name and address of foreign principal

Date acquired

9. In addition to those named in Items 7 and 8, if any, list foreign principals² whom you continued to represent during the 6 month reporting period.

Royal Embassy of Saudi Arabia

10. **EXHIBITS A AND B**

(a) Have you filed for each of the newly acquired foreign principals in Item 8 the following:

Exhibit A ³	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Exhibit B ⁴	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A

If no, please attach the required exhibit.

(b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period? Yes No

If yes, have you filed an amendment to these exhibits? Yes No

If no, please attach the required amendment.

2 The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a)(9)). A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

3 The Exhibit A, which is filed on form CRM-157 (Formerly OBD-67) sets forth the information required to be disclosed concerning each foreign principal.

4 The Exhibit B, which is filed on Form CRM-155 (Formerly OBD-65) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

III - ACTIVITIES

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11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 7, 8, and 9 of this statement? Yes No

If yes, identify each such foreign principal and describe in full detail your activities and services:

See Attachment A (Royal Embassy of Saudi Arabia)

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12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity⁵ as defined below? Yes No

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places, of delivery, names of speakers and subject matter.

See Attachment B (Royal Embassy of Saudi Arabia)

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13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals? Yes No

If yes, describe fully.

⁵ The term "political activities" means any activity that the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government, a foreign country or a foreign political party.

IV - FINANCIAL INFORMATION

14. (a) RECEIPTS-MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 7, 8, and 9 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes No

If no, explain why.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies⁶

Date	From Whom	Purpose	Amount
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See Attachment C (Royal Embassy of Saudi Arabia)

Total

(b) RECEIPTS - FUND RASING CAMPAIGN

During this 6 month reporting period, have you received, as part of a fund raising campaign⁷, any money on behalf of any foreign principal named in items 7, 8, and 9 of this statement? Yes No

If yes, have you filed an Exhibit D to your registration? Yes No

If yes, indicate the date the Exhibit D was filed. Date _____.

(c) RECEIPTS-THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value⁹ other than money from any foreign principal named in Items 7, 8, and 9 of this statement, or from any other source, for or in the interests of any such foreign principal? Yes No

If yes, furnish the following information:

Name of foreign principal	Date received	Description of thing of value	Purpose
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N/A

6, 7 A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. (See Rule 201(e).)
8 An Exhibit D, for which no printed form is provided, sets forth an account of money collected or received as a result of a fund raising campaign and transmitted for a foreign principal.
9 Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) **DISBURSEMENTS-MONIES**

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 7, 8, and 9 of this statement? Yes No

(2) transmitted monies to any such foreign principal? Yes No

If no, explain in full detail why there were no disbursements made on behalf of any foreign principal.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To Whom	Purpose	Amount
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See Attachment D (Royal Embassy of Saudi Arabia)

Total

(b) **DISBURSEMENTS-THINGS OF VALUE**

During this 6 month reporting period, have you disposed of anything of value¹⁰ other than money in furtherance of or in connection with activities on behalf of any foreign principal named in Items 7, 8, and 9 of this statement?

Yes No

If yes, furnish the following information:

Date disposed	Name of person to whom given	On behalf of what foreign principal	Description of thing of value	Purpose
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(c) **DISBURSEMENTS-POLITICAL CONTRIBUTIONS**

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value¹¹ in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?

Yes No

If yes, furnish the following information:

Date	Amount or thing of value	Name of political organization	Name of candidate
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See Attachment D (Royal Embassy of Saudi Arabia)

10, 11 Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks" and the like.

V - INFORMATIONAL MATERIALS

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any informational materials¹²?
Yes No

IF YES, RESPOND TO THE REMAINING ITEMS IN SECTION V.

See Attachment E (Royal Embassy of Saudi Arabia)

17. Identify each such foreign principal.

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating informational materials? Yes No

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of informational materials include the use of any of the following:

- Radio or TV broadcasts
- Magazine or newspaper articles
- Motion picture films
- Letters or telegrams
- Advertising campaigns
- Press releases
- Pamphlets or other publications
- Lectures or speeches
- Internet
- Other (specify) _____

20. During this 6 month reporting period, did you disseminate or cause to be disseminated informational materials among any of the following groups:

- Public Officials
- Newspapers
- Libraries
- Legislators
- Editors
- Educational institutions
- Government agencies
- Civic groups or associations
- Nationality groups
- Other (specify) _____

21. What language was used in the informational materials:
 English Other (specify) _____

22. Did you file with the Registration Unit, U.S. Department of Justice a copy of each item of such informational materials disseminated or caused to be disseminated during this 6 month reporting period? Yes No

23. Did you label each item of such informational materials with the statement required by Section 4(b) of the Act? Yes No

12 The term informational materials includes any oral, visual, graphic, written, or pictorial information or matter of any kind, including that published by means of advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures, or any means or instrumentality of interstate or foreign commerce or otherwise. Informational materials disseminated by an agent of a foreign principal as part of an activity in itself exempt from registration, or an activity which by itself would not require registration, need not be filed pursuant to Section 4(b) of the Act.

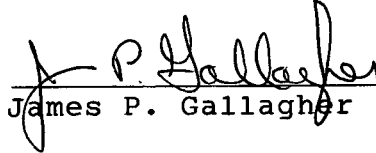
VI--EXECUTION

In accordance with 28 U.S.C. § 1746, the undersigned swear(s) or affirm(s) under penalty of perjury that he/she has (they have) read the information set forth in this registration statement and the attached exhibits and that he/she is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her (their) knowledge and belief, except that the undersigned make(s) no representation as to truth or accuracy of the information contained in the attached Short Form Registration Statement(s), if any, insofar as such information is not within his/her (their) personal knowledge.

(Date of signature)

(Type or print name under each signature¹³)

August 30, 2005


James P. Gallagher

13 This statement shall be signed by the individual agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions, if the registrant is an organization, except that the organization can, by power of attorney, authorize one or more individuals to execute this statement on its behalf.

UNITED STATES DEPARTMENT OF JUSTICE
FARA REGISTRATION UNIT
CRIMINAL DIVISION
WASHINGTON, D.C. 20530

NOTICE

Please answer the following questions and return this sheet in triplicate with your Supplemental Statement:

1. Is your answer to Item 16 of Section V (Informational Materials - page 8 of Form CRM-154, formerly Form OBD-64-Supplemental Statement):

YES _____ or NO _____

(If your answer to question 1 is "yes" do not answer question 2 of this form.)

2. Do you disseminate any material in connection with your registration:

YES _____ or NO _____

(If your answer to question 2 is "yes" please forward for our review copies of all material including: films, film catalogs, posters, brochures, press releases, etc. which you have disseminated during the past six months.)

J. P. Gallagher
Signature

8/30/05
Date

JAMES P. GALLAGHER

Please type or print name of signatory on the line above

President
Title

2005 AUG 30 PM 3:02
FARA REGISTRATION UNIT



U.S. Department of Justice

Criminal Division

Washington, DC 20530


THIS FORM IS TO BE AN OFFICIAL ATTACHMENT TO YOUR CURRENT SUPPLEMENTAL STATEMENT -
PLEASE EXECUTE IN TRIPLICATE

SHORT-FORM REGISTRATION INFORMATION SHEET

SECTION A

The Department records list active short-form registration statements for the following persons of your organization filed on the date indicated by each name. If a person is not still functioning in the same capacity directly on behalf of the foreign principal, please show the date of termination.

Short Form List for Registrant: Gallagher Group, L.L.C.

Last Name	First Name and Other Names	Registration Date	Termination Date	Role
 Gallagher	James P.	03/03/2003		

2005 AUG 30 PM 3:02
CIVIL RIGHTS REGISTRATION UNIT

ATTACHMENT A, Section III, #11

Royal Embassy of Saudi Arabia

Pursuant to an agreement with Qorvis Communications, LLC, the Gallagher Group has provided services to the Royal Embassy of Saudi Arabia in respect to the Embassy's relationship with the U.S. Congress. The Gallagher Group's activities have consisted of scheduling meetings with Members of Congress and Congressional staff, accompanying an Embassy representative to these meetings, and providing comments and advice regarding the content of Congressional communications. The Gallagher Group advised the Embassy on the status of legislation of interest to the Royal Kingdom, strategies for dealing with Congress and U.S. government officials, and strategies for improving U.S.-Saudi bilateral relations.

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ATTACHMENT B, Section III, #12

Royal Embassy of Saudi Arabia

On behalf of the Royal Embassy of Saudi Arabia, the Gallagher Group scheduled and accompanied Embassy representatives to meetings with Members of Congress and Congressional staff. The principle focus of every meeting was to discuss U.S.-Saudi bilateral relations and U.S.-Saudi cooperation in the War on Terrorism. Other topics discussed include oil and energy issues, economic development, government reform, education, role of women, human rights, the Saudi peace initiative, and Saudi charities. The dates and individuals with whom the Gallagher Group, LLC met with or called are as follows: Call to Skip Fischer, Professional Staff Member, Senate Banking Committee, 2/1/05; Call to Hector Arguello, Assistant, Office of Rep. Lincoln Diaz-Balart, 2/1/05; Meeting with Senator Mike DeWine, 2/3/05; Call to Kelly Kirk, Assistant, Office of Rep. Mike Oxley, 2/15/05; Call to Bill Duhnke, Staff Director, Senate Intelligence Committee, 2/15/05; Call to Hillel Weinberg, Professional Staff Member, House International Relations Committee, 2/15/05; Call to Walker Roberts, Deputy Staff Director, House International Relations Committee, 2/15/05; Call to Gregg Rickman, Professional Staff Member, House International Relations Committee, 2/16/05; Meeting with Steve Petersen, Legislative Assistant, Office of Rep. Rob Bishop, 2/17/05; Meeting with Rep. Mike Oxley, 2/28/05; Call to Jim Counzelman, Chief of Staff, Office of Rep. Mike Oxley, 3/1/05; Call to Ed McDonald, Chief of Staff, Office of Rep. Howard Coble, 3/2/05; Call to Jared Dilley, Legislative Assistant, Office of Rep. Oxley, 3/2/05; Call to Arthur Estopinian, Administrative Assistant, Office of Rep. Ileana Ros-Lehtinen, 3/2/05; Call to Bettina Inclan, Assistant, Office of Rep. Lincoln Diaz-Balart, 3/3/05; Call Vas Christopolous, Administrative Assistant, Office of Senator Judd Gregg, 3/4/05; Call to Jared Dilley, Legislative Assistant, Office of Rep. Oxley, 3/8/05; Meeting with Rep. Howard Coble, 3/8/05; Call to Bettina Inclan, Assistant, Office of Rep. Lincoln Diaz-Balart, 3/8/05; Meeting with Rep. Patrick McHenry, 3/10/05; Meeting with David Hemenway, Legislative Assistant, Office of Rep. Candace Miller, 3/11/05; Call to Stacie Oliver, Legislative Assistant, Office of Senator Mike DeWine, 3/11/05; Call to Chris Walker, National Security Advisor, Office of the Speaker of the House, 3/15/05; Call to Brian Gaston, Deputy Chief of Staff, Office of the Majority Whip, 3/15/05; Meeting with Dan Knievic, Legislative Assistant, Office of Senator George Voinovich, 3/15/05; Meeting with Stacie Oliver, Legislative Assistant, Office of Senator Mike DeWine, 3/11/05; Meeting with Mark Morrison, Legislative Assistant, Office of Senator Bob Bennett, 3/17/05; Call to Andy Keiser, Legislative Assistant, Office of Rep. Mike Rogers (MI), 3/17/05; Call to Ed McDonald, Chief of Staff, Office of Rep. Howard Coble, 3/28/05; Call to Yleem Poblete, Professional Staff Member, House International Relations Committee, 3/28/05; Call to Mary Elizabeth Tillman, Assistant, Office of Rep. Howard Coble, 3/29/05; Meeting with Senator Jim Talent, 4/5/05; Meeting with Rep. Jack Kingston, 4/6/05; Meeting with Rep. Howard Coble, 4/7/05; Call to Steve Petersen, Legislative Assistant, Office of Rep. Rob Bishop, 4/12/05; Call to Jordan Paul, Legislative Assistant, Office of Rep. Lincoln Diaz-Balart, 4/15/05 & 4/18/05; Meeting with Anne LeMay, Legislative Assistant, Office of Rep. John McHugh, 4/18/05; Meeting with Senator Elizabeth Dole, 4/21/05; Call to Jordan Paul, Legislative Assistant, Office of Rep. Lincoln Diaz-Balart, 4/22/05; Meeting with Beth Sokul & Arthur Baker, House Judiciary Committee, 4/25/05; Call to Wade Heck, Chief of Staff, Office of Rep. Terry Everett, 4/25/05; Call to Yleem Poblete, Professional Staff Member, House International Relations Committee, 4/27/05; Call to Ken Katzman, Congressional Research Service, 4/27/05; Call to Ameer Shalaby, Advisor, Office of Senator Kit Bond, 4/29/05; Call to Arthur Estopinian, Administrative Assistant, Office of Rep. Ileana Ros-Lehtinen, 5/2/05; Call to Ameer Shalaby, Advisor, Office of Senator Kit Bond, 5/9/05; Meeting with Ameer Shalaby, Policy Advisor, Office of Senator Kit Bond, 5/9/05; Meeting with Ameer Shalaby & Jack

Supplemental Statement for Six Month Period Ending 7/31/05; The Gallagher Group, LLC; Registration No. 5467; Royal Embassy of Saudi Arabia.

Bartling, Advisors, Office of Senator Kit Bond, 5/10/05; Meeting with Senator Orrin Hatch, 5/11/05; Call to Chris Walker, National Security Advisor, Office of the Speaker of the House, 5/13/05; Call to Mark Maier, Legislative Assistant, Office of Rep. Tom Reynolds, 5/17/05; Call to Mark Morrison, Legislative Assistant, Office of Senator Bob Bennett, 5/18/05; Call to Shaun Parkin, Legislative Director, Office of Senator Bob Bennett, 5/18/05; Meeting with Rep. Robin Hayes, 5/18/05; Call to Bill Castle, Counsel, Senate Judiciary Committee, 5/19/05; Meeting with Scott Quisenberry, Counsel, Office of Senator Elizabeth Dole, 5/19/05; Call to Mark Morrison, Legislative Assistant, Office of Senator Bob Bennett, 5/24/05; Call to Mark Maier, Legislative Assistant, Office of Rep. Tom Reynolds, 5/31/05; Call to Arthur Estopinian, Administrative Assistant, Office of Rep. Ileana Ros-Lehtinen, 6/7/05; Call to Ameer Shalaby, Advisor, Office of Senator Kit Bond, 6/8/05; Call to Marc Lubin, Chief of Staff, Office of Rep. Henry Bonilla, 6/9/05; Call to Matt Miller, Chief of Staff, Office of Rep. Mike McCaul, 6/10/05; Call to Mark Morrison, Legislative Assistant, Office of Senator Bob Bennett, 6/13/05; Call to Jared Dilley, Legislative Assistant, Office of Rep. Oxley, 6/13/05; Call to Ameer Shalaby, Advisor, Office of Senator Kit Bond, 6/15/05; Meeting with Senator Kit Bond, 6/15/05; Call to Hillel Weinberg, Professional Staff Member, House International Relations Committee, 6/15/05; Call to Wade Heck, Chief of Staff, Office of Rep. Terry Everett, 6/17/05; Meeting with Rep. Jo Bonner, 6/21/05; Meeting with Rep. Ileana Ros-Lehtinen, 6/21/05; Call to Brian Gaston, Deputy Chief of Staff, Office of the Majority Whip, 6/28/05; Call to Chris Walker, National Security Advisor, Office of the Speaker of the House, 6/28/05; Meeting with Jennifer Thompson, Legislative Assistant, Office of Rep. Robin Hayes, 6/30/05; Call to Shaun Parkin, Legislative Director, Office of Senator Bob Bennett, 7/12/05; Call to Vas Christopolous, Administrative Assistant, Office of Senator Judd Gregg, 7/12/05; Call to Chris Walker, National Security Advisor, Office of the Speaker of the House, 7/17/05; Meeting with Laura Friedel, Legislative Assistant, Office of Senator Richard Shelby, 7/18/05; Call to Ed McDonald, Chief of Staff, Office of Rep. Howard Coble, 7/25/05; Call to Yleem Poblete, Professional Staff Member, House International Relations Committee, 7/26/05; Meeting with Rep. Patrick McHenry, 7/28/05; Call to Scott Quisenberry, Counsel, Office of Senator Elizabeth Dole, 7/29/05.

ATTACHMENT C, Section IV, #14 (a)

Royal Embassy of Saudi Arabia

<u>Date</u>	<u>From Whom</u>	<u>Purpose</u>	<u>Amount</u>
3/24/05	Qorvis Comm.	Consulting Fees	\$10,000.00
6/14/05	Qorvis Comm.	Consulting Fees	\$60,000.00
7/29/05	Qorvis Comm.	Consulting Fees	\$10,000.00
		<i>Total:</i>	\$80,000.00

ATTACHMENT D, Section IV, #15 (a)

Royal Embassy of Saudi Arabia

The Registrant's contract with Qorvis Communications, LLC does not allow for the billing of expenses. The Registrant did not incur any expenses or expend any funds in connection with his activities. All material used by the Registrant was provided by Qorvis Communications. All travel to Capital Hill and elsewhere was done in conjunction with other client activities.

Section IV, #15 (c)

Royal Embassy of Saudi Arabia

<u>Date</u>	<u>Amount</u>	<u>Name of Candidate</u>
March 2	\$2,500.00	Virginians for Jerry Kilgore (Non-federal race)
March 10	\$1000.00	Rep. Patrick McHenry (NC)
March 24	\$500.00	Rep. Michael Rogers (MI)
March 24	\$500.00	Rep. John McHugh (NY)
April 3	\$1000.00	Senate Victory Fund (Senator Thad Cochran PAC)
April 5	\$1000.00	Sen. Jim Talent (MO)
April 6	\$500.00	Rep. Jack Kingston (GA)
April 27	\$500.00	IRL-PAC (Rep. Illeana Ros-Lehtinen PAC)
June 21	\$500.00	Rep. Illeana Ros-Lehtinen (FL)
June 21	\$500.00	Rep. Jo Bonner (AL)
June 28	\$500.00	Rep. Jeb Bradley (NH)
June 29	\$500.00	Rep. Patrick McHenry (NC)
July 20	\$1000.00	ROYB PAC (Rep. Roy Blunt PAC)

ATTACHMENT E, Section V, #16-23

Royal Embassy of Saudi Arabia

16. The registrant did disseminate informational materials on behalf of the foreign principal. Materials are attached to this statement.
17. The foreign principal was the Royal Embassy of Saudi Arabia.
18. No
19. Press Releases
20. Public Officials and Congressional Staff
21. English
22. Yes. Material is attached to this statement.
23. Yes. All material is already labeled either by Qorvis Communications, LLC or the Gallagher Group, LLC.

FOR IMMEDIATE RELEASE

February 1, 2005

CONTACT:

Saudi Information Office

(202) 337-4076

www.saudiembassy.net

**SAUDI ARABIA HOSTS COUNTER-TERRORISM INTERNATIONAL
CONFERENCE FEBRUARY 5-8**

WASHINGTON [February 1, 2005] -- The Kingdom of Saudi Arabia is hosting delegates from over 50 countries, including 15 from the Arab World, as well as representatives from several international organizations, for the first Counter-Terrorism International Conference. The event, being held in Riyadh February 5-8, aims to develop specific proposals for improving bilateral, regional and international cooperation on counter-terrorism. The conference will also focus on improving capabilities to combat terror financing, money laundering, and drug trafficking.

Deputy Prime Minister and Commander of the National Guard Crown Prince Abdullah bin Abdulaziz will give the inaugural address. A series of workshops will follow, focusing on four themes: terrorist ideology and its roots; the relationship between terrorism, money laundering, and arms and weapons trafficking; the experiences of certain countries in combating terrorism; and terrorist organizations and their composition.

Attending countries include Egypt, Syria, the United States, the United Kingdom, France, China, Iran, and the Russian Federation. Among the international organizations participating in the event will be the United Nations, the European Union, the Organization of the Islamic Conference, the League of Arab States, the Gulf Cooperation Council, and the African Union. The attendees hope to reach practical conclusions and recommendations to support international efforts in fighting terrorism. A report will also be presented to be used as a foundation for improving future international cooperation.

For more information about the Counter-Terrorism International Conference, please visit the Saudi Embassy website <http://www.saudiembassy.net/>

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This press release is distributed by Qorvis Communications, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, D.C.

2005 AUG 30 PM 3:02
CRM/ISS/REGISTRATION UNIT

FOR IMMEDIATE RELEASE

February 5, 2005

CONTACT:

Saudi Information Office

(202) 337-4076

www.saudiembassy.net

**SAUDI ARABIA'S CROWN PRINCE DELIVERS OPENING ADDRESS AT
COUNTER-TERRORISM INTERNATIONAL CONFERENCE**

RIYADH, Saudi Arabia [February 5, 2005] --*Crown Prince Abdullah bin Abdulaziz, Deputy Prime Minister and Commander of the National Guard, delivered the following speech today during the opening ceremony of the Counter-Terrorism International Conference being held in Riyadh, Saudi Arabia February 5-8:*

In the Name of God, Most Compassionate, Most Merciful

My Dear Brothers and Friends:

May God's peace, mercy and blessings be upon you.

It is my pleasure to thank you for accepting the invitation to participate in this historic gathering, and to welcome you, on behalf of my brother, the Custodian of the Two Holy Mosques -- may God protect him -- and on behalf of the Saudi people, to the Kingdom of Saudi Arabia, the land of peace and Islam, from which an eternal message of equality and friendship between all people was launched. In the words of the Almighty: "O' Mankind, we have created you from a male and female and made you into nations and tribes that you may know one another. Verily, the most honorable of you before God is the one who is most pious."

This eternal call from our Almighty God represents the true spirit of Islam, a religion of peace, wisdom and righteousness, not the false slogans espoused by those outside the bounds of Islam who proclaim them from dark caves in order for the enemies of Islam to use them to create a distorted picture of our faith. The prophet of Islam -- God's peace and blessings be upon him -- is a prophet of mercy, and Islam is a religion of mercy. It is therefore not possible that mercy and terrorism can co-exist in one mind, or one heart, or one house.

My Dear Friends:

The convening of this conference, which includes nations from various cultures, faiths and political systems, is clear testimony that terrorism, when it strikes its victims, does

not differentiate between cultures, faiths or forms of government. Terrorism does not belong to any culture, or religion, or political system. It is a global crime perpetrated by evil minds filled with hatred towards humanity and consumed with a blind desire to kill and destroy.

This conference represents the will of the international community to combat this crime in every aspect by fighting evil with justice, confronting deviant thought with wisdom and noble ideas, and challenging extremism with moderation and tolerance.

It is important to recognize that terrorism is strongly linked to three other global crimes: arms smuggling, drug smuggling and money laundering. It will be more difficult for us to prevail in our war on terrorism if our war does not include a serious effort to confront the three other crimes.

My Dear Friends:

The Kingdom of Saudi Arabia was one of the first countries to suffer from terrorism and warn of its dangers. It has dealt with it vigilantly on the local, regional and international levels. We are fighting terrorism, those who support it and those who condone it. We will continue to do so until we eliminate, with the help of God, this evil. During this conference, we will present our experience in dealing with terrorism, and we also look forward to benefiting from your experiences in this area. I have no doubt – God willing - - that our collective experiences will help all of us in the battle against terrorism. It is our hope that this conference will usher a new era of international cooperation in the war against terrorism that will enable us to rid our world of this threat.

In this regard, I call upon all countries to establish an international center for combating terrorism where experts in this area can exchange information instantly in response to the demands of the situation and the need to prevent incidents – God willing – before they occur.

I realize that the danger of terrorism cannot be eliminated overnight, and that our war against terrorism will be long and difficult, and that terrorism is becoming increasingly violent and vicious as we tighten the noose around it. But I am fully confident -- God willing – that the final outcome will be a resounding victory for the forces of moderation, tolerance and peace against the forces of hatred, extremism and crime, with the help of God Almighty, the ultimate supporter and protector.

Thank you, and may God's peace, mercy and blessings be upon you.

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Message Page 1 of 7

James Gallagher

From: James Gallagher
Sent: Tuesday, February 15, 2005 5:28 PM
To: [REDACTED]
Subject: Comments by Frances Townsend
Importance: High
Attachments: Townsend Comments.doc

Attached are the comments from Francis Fragos Townsend at last week's Counter-Terrorism International Conference. I thought you might find them interesting.

Jamie

Press Availability for the U.S. Delegation to the Counter-Terrorism International Conference

February 5, 2005

--Transcript--

U.S. Embassy Counselor for Public Affairs Carol Kalin: I would like to start off by introducing our panel and laying out some ground rules. My name is Carol Kalin and I'm the Public Affairs Counselor here at Riyadh. (Inaudible). Starting at this end of the podium we have Mr. E. Anthony Wayne, Assistant Secretary of State for Economic, Business and Agricultural Affairs. We have Mr. William Pope, the Acting Coordinator for Counter-Terrorism at the State Department and our Deputy Head of Delegation. Of course, the Head of Delegation, as you all well know, is Frances Fragos Townsend, Homeland Security Advisor and Deputy National Security Advisor for Combating Terrorism at the White House. We have next Ambassador James C. Oberwetter, Ambassador to Saudi Arabia and then Daniel Glaser, Deputy Assistant Secretary at the Treasury Department.

If any of you have not received the press release naming the leading members of our delegation, we have them available for you at the door. This is an availability, on the record, up to 30 minutes. Mrs. Townsend will call on each of you in turn as she chooses. Please identify your news organization even if you are familiar with the delegates, as not everyone may be aware of what your affiliation is.

So with that, I'll turn it over to Mrs. Townsend for her opening statement and to take your questions.

Townsend: Thank you. I arrived last evening and I thought I would walk you through, sort of real briefly, and then you can ask questions about what I've done since I arrived and in the conference today. I arrived with the delegation on a military plane. We arrived yesterday evening. After the hotel, I had a brief meeting with His Royal Highness Prince Mohammad bin Naif, the head of the Mubathis. This is my, I think, fifth trip to Saudi Arabia in about a year and a half. So this is part of what's been an ongoing dialogue in what (inaudible) be described as a strategic partnership. My focus has been

counter-terrorism issues. After meeting with Prince Mohammad, that was the end of my day.

This morning we got up. We had delegation meetings here in the hotel and we proceeded to the opening of the conference at the new Palace Conference Center, a spectacularly beautiful building as you all know, I think most of you were in there. After the opening statements, there was a lunch and then I had a private meeting with the Ambassador and Crown Prince Abdullah which has also been part of my regular bilateral meeting, and then we adjourned and I arrived somewhat late to the opening plenary session. I have my remarks as they were written, but I haven't conformed them yet to "as delivered," so I thought I'd just walk through some of the topics that I covered again. You can ask me questions and I can always give you specific quotes out of it. I thanked the Saudi Arabian government for hosting it, hosting the conference, and recognized the Saudi commitment to finding practical and effective solutions to fighting terrorism. I specifically called out for praise the courage and bravery of Saudi counter-terrorism forces, most especially the Mubathis, which I view as laudable and said it must be a source of enormous pride. I'll give quotes. Here in Saudi Arabia many lives have been lost and more have been wounded in the fight against evil. To the injured and the families of the killed I say thank you. As a result of your sacrifice the world is safer. I then went on to talk about this being, the 14th of February being, the 60th anniversary of the historic meeting between Franklin Roosevelt and His Royal Highness King AbdulAziz on the USS Quincy in the Great Bitter Lake in Egypt and talked about the visionary leadership and the enduring relationship that they forged by that meeting. I went on to talk then specifically about lessons that we have learned with our Saudi counterparts that "leadership and shared vision between leaders on how to fight against the scourge of terrorism is among the most important things we have gained in this relationship." I talked about counter-terrorism cooperation preceding the May 13, 2003 attacks and having increased after the May attacks. I commented that shortly after May 13 Saudi Arabia's King, Crown Prince and other senior leaders declared that terrorism would not deter efforts towards reform and development and that all Saudi society had a role in countering extremists and their espousal of hate and their indiscriminate use of violence. I said that the world cannot succeed in defeating global terrorism without Saudi Arabia's victory over terrorism and extremism on its own soil. We stand with the Saudi's in that fight and that the conference itself is a testament to their commitment and to their dedication.

I also took time to note that there is much more happening in Saudi Arabia, such as the government and the media's effort to begin to educate Saudi citizens on the dangers of extremism. I talked about Saudi Arabia's efforts to improve the economy, commerce, education and political participation and that that will provide a foundation to the Kingdom's long-term strategy of defeating terrorism. Defeating terrorism demands strong leadership, shared responsibility, accountability and commitment to change. I talked about the successful elections in Iraq, Afghanistan, the west bank and Gaza and about how these sorts of dramatic changes will resonate throughout the region. I then spent a portion of the speech talking to what I believe has got to be a key in winning the war on terrorism and that is eradicating state sponsorship.

I am just going to read this portion to you.

Incredibly there still governments who sponsor and harbor terrorists - such behavior is unacceptable and seeks to undermine the struggles of all free nations to fight against terrorism.

President Bush's vision and message for the world has been crystal clear: any person, organization, or government that protects or harbors terrorists is complicit in the murder of innocents and will be held accountable. "We will starve terrorists of the funding, turn them one against another, drive them from place to place, until there is no refuge or no rest. And we will pursue nations that provide aid or safe haven to terrorism. Every nation in every region now has a decision to make - either you are with us or you are with the terrorists. From this day forward any nation that continues to harbor or support

terrorism will be regarded by The United States as a hostile regime.”

State sponsors of terrorism are with the terrorists and therefore against all of us. They are cowards who hide behind the hateful and murderous surrogates whom they arm, finance and harbor. They seek influence through fear and intimidation. President Bush said this week, “Iran remains the world’s primary state sponsor of terror.” We must be unanimous in our strong condemnation of such state sponsorship of terrorism and demand its end.

I then went on to talk about the fact that the group of state sponsors is dwindling. The much larger pool, as opposed to state sponsors, is those of our allies. I singled out Saudi Arabia, Pakistan and Afghanistan, among many others, who continue to be essential to ensuring that we win the war against terror. I went back to talking about, in the fight against terrorism, nothing could be more clear. If you write a check or provide a safe house, if you allow your laws to remain weak and if you fail to pass critical information to your neighbors about a terrorist threat in the region, if you knowingly allow terrorists to move freely through the country, you have sided with extremism and against the free world.

Later on in the speech, as I come to the end, I exhorted my colleagues that we do not have the luxury of time. I quoted from Mohammed bin Rashid of Dubai, a statement he made last November at the Arab forum. “To substitute decisive action by turning around in vicious circles, disagreement about the tiger’s skin before hunting it, looking for the conspiracy or the wicked plan behind every new thing is all to consecrate the current situation, resist reform and postpone change.” Do not allow yourselves to turn around in vicious circles at the conference, or to walk away without knowing how to better hunt the tiger of terrorism. This struggle will last generations, but that does not excuse us from taking immediate, concrete, determined steps to improve every aspect of the fight against terrorism.

I then talked about what an incredible coalition of people you have here, more than 60 countries and international organizations from different cultures, religions, educations, forms of government and many different experiences, and basically explained that I am in this fight and have been for some time because I hope to leave the world a better place for my children, and I know that people, around the world wherever they from, feel the same way. That sort of gives you the where we are and what we have done. The working groups broke out. The plenary session continued into the evening. It broke out into working groups. I think you have the list of what the working groups were. Ambassador Wayne lead the one on terror financing for the United States and with that I’ll take your questions.

Q: Josh Meyer, LA Times. There was a lot of general talk today about fighting terrorism and I am just wondering what your thoughts are in terms of the tenor of the remarks by (inaudible) there is no ideology, no geography in terms of fighting terrorism. I mean, do you think that is any particular trend in terrorism that you really need to know about and one other thing I’ll ask (inaudible) Do you think that the other coalition members are here to address such things as (inaudible) or that they’re just saying that’s it a general problem that we need to attack it without going into specifics?

Townsend: I raise the issue of state sponsorship generally. I did mention Iran. I could have also mentioned Syria. I talked about it because my purpose in it was to try to rally the attention of the international community. If we as an international community truly believe that state sponsorship is unacceptable behavior and we coalesce around that, I believe that we can put an end to state sponsorship. I think that’s critical. State sponsors do all sorts of nasty things that support terrorists, whether it’s a safe haven or it’s money -- substantial amounts of money -- or it’s weapons, and so my purpose in raising it was more to bring attention to the state sponsor issue and underscore how important I think that is if we are going to win the war on terror.

Q: (inaudible) how you talk to countries about (inaudible) and how are you addressing this?

Townsend: I think that Israel was raised once with me. I can't recall anybody else raising the issue of Israel with me at this conference. And I hesitate because what often -- your question and questions like it often lead into this sort of never-never land of "what is the definition of terrorism?" And while I think those of us who have studied the problem would like to have it. It would just be neat if we could have it on one piece of paper where we all agreed on it. It's not terribly productive, in the sense of actually making a difference in winning the war, and so I find it a sort of unsatisfying conversation. What you look at -- what I look at -- is: is a group using the technique of mass-murder for whatever their agenda is. And it's the mass-murder of innocents and civilians which, in my mind, in the United States' mind, is never justified. So, if we can agree that mass-murder of innocents and civilians is wrong -- it's pretty easy to get that kind of agreement -- we can follow it from there.

Q: Can I just follow that up?

Townsend: Uh huh.

Q: How do you get past that point with some of the members? Is it a problem in discussing -- Can you get to the greater viewpoint of terrorism, or is that conversation blocked in some way by the mechanics of it?

Townsend: As a practical matter, no, I don't think the conversation is blocked. The Saudis rightfully, I think helpfully, said that the purpose of this conference is to try and talk about practical solutions, to use an American term, best practices, and you can do that because each country will take what they can from those discussions, tailor them to their own situation and make the best use of them. So I think you can't -- if you frame the conversation about what are the most effective practices to fight terrorism, then you let people take them home and apply them in their situations where appropriate.

Yes, with the red tie.

Q: Alistar Wanklin, Fox News. It was one of those practical suggestions when, at the start, the Crown Prince suggested a center for exchanging information on terrorism. What is your take on that proposal? Does that duplicate already functioning systems of exchange of (inaudible)

Townsend: I will say that I don't think that there is any circumstance that a center will end the need for, or usefulness of, bilateral relations. One of the things we've found most effective is the exchange between intelligence services and law enforcement agencies and each of those is unique about the level of transparency, the level of trust and so I don't think anything will ever replace that -- the bilaterals. That said, we have found, whether it's inside a single government or across various governments, the sharing of information -- anything we can do to increase the sharing of information -- is a net gain in the war. I have not seen the specifics of the proposal. I haven't had the opportunity to review it, so I wouldn't presume to make a judgment based on just his remarks, but I would say to you that we think that the sharing of information among partners in the war is essential to winning and so would be in favor of any mechanism that assisted in that.

Q: I've got the mike so I'll (inaudible) then I'll gladly pass it along. Craig Whitlock with the Washington Post. I just wanted to ask about (inaudible) you had mentioned about the threat and the challenge the Saudis have faced the last couple of years in dealing with terrorism inside their borders and one of the big topics of this conference is the root causes of terrorism. What are the biggest challenges facing the Saudis in dealing with the root causes of terrorism (inaudible).

Townsend: Well, in the portion of my remarks where I was acknowledging the efforts of the Saudis, I

think that they've really undertaken in a number of small ways what amounts to dramatic steps. From education to political participation, they're modest steps, but it's a dramatic departure from their history and their culture. Economic measures, education measures, political participation -- I think when you look at each of those and when you put it together, it's quite powerful. It offers the citizens of Saudi Arabia a real sense of hope and optimism and confidence in the systems that they will now become more a part of.

Q: To follow up really quickly, what about the religion, Wahabism itself? A lot of people in Saudi Arabia now are increasingly open about that this is something (inaudible). Did you talk at the conference at all about that or is that something you've raised in particular about Saudi Arabia's efforts to have a national discussion about the whole religion, including Islamic extremism and terrorism?

Townsend: Craig you know it's interesting that you should bring this up. In fact, my most recent thought or observation about that was yesterday's sermon and then also during the Hajj, the Grand Mufti's sermon. It's really quite extraordinary that religious leaders are entering this dialogue and offering both guidance and wisdom in Islamic teaching on this subject. I am not an Islamic scholar so I wouldn't presume to comment on it but I will say to you -- I think -- When I say that there are lots of dramatic steps, that's extraordinary. And I think it's extraordinary in helping to educate the Saudi people. You know, I was walking back over to the hotel from the conference center and walked past the display, a very public display of very graphic pictures and messages and it's all part of a Saudi campaign to engage their own citizens in this dialogue about choices -- we make choices -- and what is it that they want Saudi society to be about. So, I actually think the sermons -- that those two sermons in particular are pretty dramatic in terms of the religious leaders trying to reach out to the people and explain their view and their vision for Islam.

He kept his word and gave you the microphone.

Q: Mark Trevelyna, Reuters. My question's about cross border terrorism. Do you believe that militants from Saudi Arabia are crossing into Iraq (inaudible) join the insurgents (inaudible)

Townsend: Well, there are a number of foreign fighters in Iraq. To be safest, I would refer you to the U.S. Military in terms of numbers. I will tell you that it is our understanding that it's not just Saudis crossing into Iraq, but, as you can imagine, the Saudis have concerns about people crossing into Saudi from Iraq. Border security is an issue. You can imagine, as the President's Homeland Security Advisor, I am pretty sympathetic when they are talking to me about border security and the importance of it, having spent a good deal of time on U.S. borders. Border security for them is a concern. I am not under the impression that it is limited to the northern border with Iraq. I think they are looking at a number of ways of increasing the integrity of their borders and border patrol.

Q: Andy Clarke, CBS News (inaudible) charitable organization in financing terror (inaudible) investigation into that charity. It seems a lot of the money that was in their account has gone missing?

Townsend: I am not aware of -- I am not disputing it -- I am just not aware of any money going missing. I will tell you we worked over a significant period of time with them to close the branches that we thought were suspect. I find very encouraging the notion of the Saudi Charity Commission and the function it will play. I think we have to see how that is implemented. I say I find it encouraging -- I am not -- because I don't think we know enough yet until it gets up and running. It's interesting to me. I think of American charities and think a fraud in American charities and how outraged we are. Imagine if it was a pillar of your religion that you had to give to worthy causes only to find that your money had been stolen for a terrorist purpose. That's not to say that some people don't put it in that way to move the money around, but I worry about both. I understand that there are two sides to that problem. There

are some people who give to those charities who are well-intentioned and the money goes to bad purposes. On the other hand, are those who give intentionally and allow those charities to be manipulated so the money can be moved. I think the Saudis care about this deeply. I think they care about it deeply because Crown Prince Abdullah strikes me as very righteous and very pious individual. I think he cares deeply about the meaning and the intention of Zakat, particularly here in Saudi Arabia and he takes his responsibilities in this regard pretty seriously and is willing to move against it. I don't think we are by any means done. We've made enormous progress in the area of charities, but I think there is more to be done. This is an incredibly sensitive topic between us, but they have shown a willingness and dedication to confronting it.

Q: (inaudible)

Townsend: It's interesting because when I meet with my Saudi counterparts I don't hear them say it's over. At least the professional people that I deal with, I don't think they think it's over. I think there's a couple of fairly telling facts here -- you notice whether it's the attack on the Consulate in Jeddah or the attacks on the Mubahith building here in Riyadh, both set of attacks failed, both were fairly rudimentary, and poorly planned. The response of Mubahith and the response of the security forces was swift and very aggressive and successful. So I take a good deal of encouragement in that. I think Mubahith got to the Consulate in under 12 minutes -- it's extraordinary. And that says a lot about how they were postured and how seriously they were taking the threat and if you look at the number of security forces and Mubahith officers who have been killed in the line of duty, the Saudis really are making substantial progress and I think you can see that in the fact that the attacks are increasingly less sophisticated. It looks more like a pickup game than a well-planned and executed attack. I think time will tell whether that's sustainable or whether the cell regroups. But with the attention and resources the Saudis have put against it, I think it becomes increasingly difficult for the cells here inside the Kingdom to reconstitute themselves.

Q: (inaudible)

Townsend: That's why you heard me say, it's modest but it's dramatic. It's a modest step. Is it everything you hoped for? No, but I think that you have to give them a chance to begin the process and then see how it develops. Modest but dramatic.

Ambassador James C. Oberwetter: If I may add one thing here, when I got here a year ago, there were no campaign tents anywhere in town. It's like a backyard political barbecue back in the United States that's occurring in a lot of different neighborhoods in Riyadh. When I got here a year ago, that was not happening. And neither were any of the advertisements in the papers or the billboards that are up. There had not been registration for voter participation in many, many decades. So there is progress to report. I certainly agree with Fran, I think it's a modest approach -- a modest way to begin, but it seems the process has begun.

Q: Donna Abu Nasser, Associated Press. How do you explain the situation in the Gulf, especially in light of the clashes in Kuwait, and do you see any relation between the Saudis, the Saudis who were captured in Kuwait (inaudible).

Townsend: I think it is fair to say that we see, by both intelligence and law enforcement, connections among various cells in the Gulf, just as we see crime syndicates in the United States in various states talk to one another. Again I think we've seen an increasing amount of cooperation among the Gulf States. You know, the GCC Ministers of Interior signed the agreement to cooperate better in combating terrorism. This is real opportunity, the center that the Crown Prince suggested provides a real opportunity, particularly among the Gulf nations to band together. As I said to them, we have learned no

one country fighting it alone can win it. We've really become much stronger by leveraging each other and so I think that among the countries here, they find an increasing need to share information and cooperate, both on intelligence and law enforcement.

Q: Dominic Evans, Reuters. There's been talk about operators in the Gulf (inaudible) wave of arrests in Oman. Do you think there was a serious threat there? What has the background? Some people say it was Afghanis, and (inaudible)

Townsend: I wouldn't presume to comment on it, I just don't know the underlying facts. Thank you very much.

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James Gallagher

From: James Gallagher
Sent: Wednesday, February 23, 2005 12:39 PM
To: jgallagher@GallagherGroupLLC.com
Subject: Saudi AP Story

I thought you might find the following story of interest....

Jamie

Associated Press: Saudis May Give Women Right to Vote**February 23, 2005 11:53 AM EST**

LONDON - Women may be allowed to vote in future Saudi Arabian elections, but such political reforms must be implemented "gradually," the kingdom's foreign minister said Wednesday.

The Gulf nation, an absolute monarchy, recently held its first regular election, for city council members. But the vote was open only to men.

Saudi Foreign Minister Prince Saud al-Faisal, in London for meetings with British Foreign Secretary Jack Straw and other officials, said his country's election commission had recommended women participate in the next vote.

"I would not be surprised if they do so in the next round of elections," he said.

Two more phases of the municipal vote will be held in March and April, but it was unclear whether Saud was referring to those elections.

Saud and Straw acknowledged having differences in areas including human rights and democratic reform in the kingdom.

"No nation can stand still," Straw said. "The challenge for Saudi Arabia ... is to adapt to this changing world reality while preserving all that is good and admirable in its society.

"Without reform, frustrated aspirations for change may fuel resentment and strengthen those forces who wish to destroy all that the society holds dear."

Straw said the political systems in most Western democracies had evolved over centuries and, by comparison, change in Saudi Arabia was happening quickly.

Saud, however, said political reforms would have to come slowly.

"The wish is to move as fast as we can, the reality says that you have to move gradually," he said. "We in Saudi Arabia believe in the necessity of political reform, but it must be evolutionary."

He said the government wanted to improve human rights, an issue Straw said was on the agenda for the ministers' talks.

8/27/2005

"We're working very hard for that ... to assure that justice reaches every single human being in the country," Saud said.

The Saudi royal family holds absolute power in the country and few dare challenge it. It governs based on strict Islamic law, and Saudis cannot hold public gatherings to discuss political or social issues.

Saud said his country - home to 15 of the 19 hijackers who carried out the Sept. 11 attacks - was working hard to fight terrorism.

"Far from being its instigator, Saudi Arabia is one of the first victims of terrorism," he said. "We are waging a relentless war on terrorists."

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سفارة المملكة العربية السعودية
مكتب الإعلام

ROYAL EMBASSY OF SAUDI ARABIA
INFORMATION OFFICE

April 2005

Saudi Arabia's Progress on Economic, Educational and Political Reforms

The Kingdom of Saudi Arabia, which has taken steps to promote reforms throughout the Arab world with an initiative entitled the 'Charter to Reform the Arab Position', has implemented a number of political, educational, and economic reforms to encourage citizen participation, provide young Saudis with appropriate education and expanded employment opportunities, and increase foreign investment. The following is a summary of facts relating to Saudi Arabia's efforts in this respect. For more detailed information on reform, please visit www.saudiembassy.net under 'Reports'.

POLITICAL AND EDUCATIONAL INITIATIVES

- Saudi Arabia is holding **municipal elections** between February and April 2005 for half the members in the 178 municipal councils in its 13 provinces. Although the current elections were restricted to men, there is a proposal that women will be able to participate in the next elections in four years' time.
- The **National Human Rights Association (NHRA)** was established in March 2004 with a mandate to implement international human rights charters.
- The **King Abdulaziz Center for National Dialogue** was established in August 2003 to bring together leading personalities to discuss important issues facing the Kingdom. So far, four National Dialogues have taken place, covering education, extremism, the role of women and the problems facing young people.
- The **Saudi Journalists Association** was set up in February 2003, to protect the rights of journalists in the Kingdom and coordinate their relations with the media establishment. A similar association for writers is being processed.
- **Curricula revision** is under way in the Kingdom's educational system, which has about five million students, half of them female, and one of the lowest student to teacher ratios on the world - 12.5 to 1.
- A **three-year enlightenment program** is being implemented by the Ministry of Islamic Affairs, Endowments, Call and Guidance, to educate imams, monitor mosques, and purge extremism and intolerance from religious education.
- **Judicial regulations** include the 2002 code of law practice to define the duties and rights of lawyers and the 2002 criminal procedure law regulating defendants' rights.
- **Major political developments** were introduced in 1992: the Basic Law of Governance, serving the function of a constitution; the Consultative Council (*Majlis Al-Shura*), this year with 150 members serving four-year terms, and an enhanced legislative role; and a system of provincial councils, composed of leading citizens who provide input for the local governments in each of the Kingdom's 13 provinces.

ECONOMIC INITIATIVES

- Recent steps towards privatization and market liberalization are aimed at accelerating Saudi Arabia's accession to the **World Trade Organization (WTO)**. The Kingdom is negotiating bilateral agreements with current WTO members while adopting the organization's various trade rules.

- In June 2003, the **Saudi Arabian Capital Markets Law** was enacted, setting up the **Saudi Arabian Securities and Exchange Commission (SASEC)** to protect investor interests; and formalizing the **Saudi Arabian Stock Exchange (SASE)**, whose capitalization as of December 31, 2004, was over \$300 billion.
- **The Foreign Investment Law** allows foreign investors to own property, transfer capital and profits, and claim full ownership of their projects. In January 2004, the capital gains tax on foreign investors was cut from 45 to 20 percent.
- In January 2003, the **GCC Customs Union** was established by the Gulf Cooperation Council to standardize customs duties in the six member countries.

Economic Indicators

- The Kingdom's GDP increased from \$20 billion in 1970 to \$248.82 billion in 2004.
- Saudi Arabia was given 'A' credit ratings in 2003 and 2004 by Standard and Poor's.
- Today, Saudi Arabia is the world's 25th largest importer/exporter, with foreign trade of \$78 billion, and in 2004, over \$26 billion in trade with the United States.
- Saudi Arabia, the world's largest oil exporter and with the largest proven oil reserves, earned about \$115 billion in net oil export revenue in 2004.
- Over the past three decades, the non-oil sector of the Saudi economy has grown from 35% to more than 60% of total GDP.
- In the past decade, Saudi Arabia's 10 licensed commercial banks have seen a substantial growth in domestic banking. In 2004, combined capital and reserves of the banks increased to more than \$14 billion. An eleventh bank opened in 2005.
- The total population in Saudi Arabia increased from 12 million in 1980 to 22.7 million according to the census conducted on September 15, 2004. Of these, 16.5 million are Saudi nationals. The Saudi labor force was reckoned in 2002 to be 3.15 million.

Privatization and foreign investment

- **The Centennial Fund** extended its first grants in January 2005 to young Saudis who seek to achieve economic independence by setting up small business enterprises.
- By early 2005, foreign companies were expressing interest in the three rail projects approved by the **Supreme Economic Council (SEC)**, to connect Jeddah with Dammam, link Makkah and Madinah, and give access to mining projects in the north.
- In 2004, government shares in the National Company for Cooperative Insurance (NCCI) were offered for sale, following the **2003 Insurance Law**.
- By 2004, agreements worth more than \$7 billion had been reached with international oil companies for investment in the energy sector.
- Privatization of the Saudi Arabian Mining Company 'Ma'aden' was approved in 2004.
- The Kingdom has plans to privatize the Saudi Arabian Public Transport Company (SAPTCO) as well as Saudi Arabian Airlines (SAA) and the operation of its 24 domestic and 3 international airports, retaining control over airport security.
- The Ministry of Health supports privatization of some state-run hospitals. New laws allow foreign investors to own hospitals.
- In December 2002, the Saudi Telecom Company was privatized. The **Saudi Communications Commission (SCC)** had been established in December 2001, to facilitate foreign investment in the telecommunications sector. The responsibilities of the state-run postal services were transferred to the private sector in 2002.

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FOR IMMEDIATE RELEASE

April 11, 2005

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SAUDI SECURITY FORCES KILL THREE MOST-WANTED TERRORISTS

WASHINGTON [April 11, 2005] -- Saudi security forces have eliminated three more terrorists on the Kingdom's list of 26 most-wanted, bringing the total number of killed or captured to 23. Two of the terrorists on that list, Saud Homood Obaid Alqotaini Alotaibi and Kareem Altohami Almojati, were killed during a three-day standoff that began on April 3 in the city of Ar-Rass, in Qasim Province. Abdulrahman Mohammad Yazji, also on Saudi Arabia's most-wanted list, was killed during an encounter on April 6 with security officers in the capital city of Riyadh. In all, over the four days, 16 militants were killed and 7 arrested.

Deputy Prime Minister and Commander of the National Guard Crown Prince Abdullah bin Abdulaziz remarked: "Our security forces have been and will be a thorn in the side of any wicked aggressor who attempts to infringe on the homeland's unity, stability and security and above all religion." The Crown Prince praised the bravery of the security personnel, at least ten of whom were hospitalized as a result of the conflicts.

For more information about actions in the war against terrorism, please visit the Saudi Embassy website <http://www.saudiembassy.net>.

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This press release is distributed by Qorvis Communications, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, D.C.

April 18, 2005

Memorandum
concerning the proposed *Saudi Accountability Act of 2005*
draft legislation proposed by Congressmen Weiner and Ferguson.

Several important issues have been raised in a recent “Dear Colleague” letter which seeks support for the *Saudi Arabia Accountability Act of 2005* (SAA).

With a view towards contributing to the public debate on this proposed legislation, this memorandum will identify, in each instance, specific Saudi initiatives, often verified by independent international government bodies, undertaken to fight terrorism, in the order in which each of the topics is raised in ‘Section 2; Findings’ of the draft bill.

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1. **SAA:** *United Nations Security Council Resolution 1373 (2001) mandates that all states ‘refrain from providing any form of support, active or passive, to entities or persons involved in terrorist acts’, take ‘the necessary steps to prevent the commission of terrorist acts’, and ‘deny safe haven to those who finance, plan, support, or commit terrorist acts’.*

Response:

On July 22, 2004, the final report of the National Commission on Terrorist Attacks Upon the United States, a bipartisan commission mandated by the United States government, confirmed that:

“...we have found no evidence that the Saudi government as an institution or senior Saudi officials individually funded the organization [of Al-Qaeda].”

“By 1994, the Saudi government would freeze his [Usama Bin Laden] financial assets and revoke his citizenship. He no longer had a country to call his own.”

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Saudi Arabia has put in place one of the most rigorous systems in the world for controlling charities. No Saudi charity can collect contributions in cash or send funds outside the country. Saudi Arabia has implemented all 40 recommendations on money-laundering and all 8 recommendations on terror financing set by the Financial Action Task Force (FATF), which was established by the G-8 countries and is regarded as the world's premier authority on establishing standards for combating money laundering and terror financing. Its 15th Annual Report in 2004 confirmed that Saudi Arabia had adopted the FATF standards. The report was written after the Task Force sent a team to the Kingdom in the fall of 2003 to conduct a "mutual evaluation", and provided the following assessment:

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This is opinion, not fact. Saudi Arabia has been vigilant in confronting

terrorists, those who fund them, and those who condone their actions. We work closely with various U.S. government entities to accomplish this mutual goal. Over the past two years, Saudi security forces have killed over 100 terrorists. Of Saudi Arabia's 26 most-wanted terrorists, 23 have been either killed or captured as of April 14, 2005. Saudi security forces have succeeded in preventing about 50 planned acts of terrorism, and more than 700 suspects have been arrested. Over 40 Saudi security officers have been killed and more than 200 wounded while carrying out their duties in confronting terrorism. During these operations, thousands of pounds of explosives, large quantities of weapons and ammunition, as well as cash and incriminating documents have been seized.

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“The Saudi Government has taken action and implemented systemic changes – both before and after the May 12th bombings in Riyadh – that are promising and constructive.”

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“The United States and Saudi Arabia share a deep commitment to fighting the spread of terrorism in all its forms.... We will continue to work with Saudi Arabia and all our allies in the war against terror to seek out those who bankroll terrorist organizations and shut them down.”

In addition, then Deputy Assistant Secretary of the Treasury for Terrorist Financing and Financial Crime, (now Assistant Secretary) Juan Zarate stated at the same press conference on January 22, 2004:

“I think today’s action signals a concrete reflection of the seriousness of which the Saudi government takes this threat, and I think based on our trips to Saudi Arabia, as well as our interactions, we are convinced that they take this threat extremely seriously.”

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A “source” can be anyone and no one. Saudi Arabia does not fund Hamas. There is no evidence to that effect, and the U.S. government is fully aware of this. No credible evidence has been provided to support this charge, and we have repeatedly asked for specific evidence to that effect so that we may address this issue immediately.

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The final report of the National Commission on Terrorist Attacks Upon the United States confirms that Saudi Arabia made repeated attempts to capture Osama bin Laden prior to September 11, 2001. The Kingdom has also repeatedly tried to foil Al-Qaeda terror attacks inside the Kingdom, as early as 1998. The Saudi government was pursuing bin Laden and his Al-Qaeda network before the September 11 attacks, and these terrorists, in turn, were pursuing targets inside the Kingdom of Saudi Arabia before the attacks on the United States. Osama bin Laden fled Saudi Arabia 10 years before the September 11 attacks. The government of Saudi Arabia revoked his citizenship in 1994. In 1996, he publicly denounced the government of Saudi Arabia. According to the 9-11 Commission:

“The CIA learned in the spring of 1998 that the Saudi government had quietly disrupted Bin Ladin cells in its country that were planning to attack U.S. forces with shoulder-fired missiles. They had arrested scores of individuals, with no publicity.”

The former head of Saudi Intelligence Prince Turki Al-Faisal worked to persuade Mullah Omar and other Taliban leaders to hand over bin Laden. According to the 9-11 Commission:

“Yet in September 1998, when the Saudi emissary, Prince Turki, asked Mullah Omar whether he would keep his earlier promise to expel Bin Ladin, the Taliban leader said no. Both sides shouted at each other, with Mullah Omar denouncing the Saudi government. Riyadh then suspended its diplomatic relations with the Taliban regime.”

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On October 8, 2002, former FBI Director Louis Freeh provided testimony before the Congressional Joint Intelligence Committee and spoke of the cooperation the FBI received from Saudi authorities in the Khobar Towers investigation. The following excerpts are from Director Freeh's testimony:

"Fortunately, the FBI was able to forge an effective working relationship with the Saudi police and interior ministry. After several trips and meetings with the Saudi leadership, and particularly Prince Nayif, the interior minister, the FBI was granted permission to expand its presence and joint operational capability within the Kingdom.

"I was particularly fortunate to gain the trust and cooperation of Prince Bandar bin Sultan, the Saudi ambassador to the United States, who was critical in achieving the FBI's investigative objectives in the Khobar case....

"...Evidence and access to important witnesses were obtained, and excellent investigative support was furnished to various teams of FBI agents who worked with Saudi Arabia to pursue the case.

"We needed direct access to these subjects, because their admissions and testimony were critical to support our prosecution. Yet no FBI agent had ever been given such unprecedented access to a detained Saudi national, which access could potentially taint their prosecution under Islamic law. For the same reasons, the FBI would have been very reluctant to allow Saudi police officers to come to the United States and interview a subject under like conditions.

"...they decided to grant the FBI request to interview the detainees.... Teams of FBI agents were then able to have access to these critical detainees, and full debriefings were conducted in Saudi Arabia.

"As a direct result of these and later direct interviews, the Department of Justice was able to return a criminal indictment in June 2001, charging 13 defendants with the murders of our 19 servicemen.

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The story is a myth based on unsubstantiated information. How many of these stories have ultimately turned out to be false? It has never been supported publicly by any U.S. official. The fact is that the United States and Saudi Arabia have been maintaining joint task forces on counter-terrorism that work together closely to share information to combat terrorism. The relationship between the two countries in this area is extraordinary, unprecedented and widely recognized.

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In addition, the government sponsored a recent nationwide public awareness and education campaign as part of its strategy to combat terrorism. The program featured public service announcements on television, radio and billboards, as well as specific programs in schools and mosques and sporting events. The size and scope of this effort is unprecedented.

This material is distributed by The Gallagher Group, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, D.C.

Address by
Deputy Prime Minister and Commander of the National Guard
Crown Prince Abdullah bin Abdulaziz
At the U.S.-Saudi Business Council reception
Dallas, Texas
April 26, 2005

In the Name of God, Most Compassionate, Most Merciful

Dear Friends:

God's peace and blessings be upon you.

It is a pleasure to meet with you in the wake of a period that has witnessed tumultuous events and great changes in every part of the world. I am pleased to convey to you my opinion that we have overcome – with the help of God Almighty – the suffocating days and challenges, and are now at a hopeful point in time in confronting terrorism and defeating extremists, God willing, and enhancing development. This phase also holds promise for a just settlement of the Palestinian issue, which will help stem the deterioration our region has suffered in the past.

Dear Friends:

We have been able to introduce, over the past few years, long-term structural reforms, and I would like to briefly mention some of them. For example, the introduction of a tax law characterized by clarity and flexibility; the organization of the Capital Markets in a manner that corresponds to the setups of the world's largest markets; the acceleration of privatization and the floatation of shares of public and semi-public companies through public offerings of shares; the removal of obstacles to foreign investment; and the promotion of tourism. In addition, we are also reviewing, in a comprehensive manner, our judicial system and laws with the aim of introducing more transparency and efficiency in dealing with legal cases.

All of these initiatives have created a new environment that welcomes investments and investors. And I wish to take this opportunity to encourage you to invest in the large Saudi market, with its great prospects and opportunities.

Dear Friends:

The Saudi-American partnership is a unique success story. It began with our cooperation with American companies in the exploration, production, refining and distribution of petroleum, and developed into fruitful cooperation in building the largest petrochemical industry in the region.

Because of the great importance we attach to the stability of the world energy markets, and the contribution of these markets to world economic growth, it is my pleasure to call

for the convening of an international energy conference in Riyadh in the fourth quarter of this year, in which producers and consumers can discuss – with depth and transparency – the issues at hand.

You should continue to cooperate with us in the fields of minerals and gas, which open up vast areas for investment. The opportunities are great, and success is virtually assured -- with the help of God – whether the investment is a direct one, or a Saudi-American joint venture.

Dear Friends:

The strong political ties which bind the United States and the Kingdom of Saudi Arabia must be accompanied by strong economic ties between the two countries. I regard your organization as one of the best channels for building economic bridges between our two countries and their private sector organizations.

In conclusion, I thank H.E. Abdulaziz Al-Quraishi for his kind speech, and wish you continued success, along with the hope that our successful partnership will continue to carry with it prosperity for our two friendly people.

May God's peace and blessings be upon you.

June 7, 2005

Memorandum

Concerning the proposed *Saudi Accountability Act of 2005* draft legislation proposed by Senator Specter (for himself, Mr. Bayh, Ms. Collins, Mr. Johnson, Mrs. Murray, Mr. Feingold, and Mr. Wyden).

With a view towards contributing to the public debate on this proposed legislation, this memorandum will identify, in each instance, specific Saudi initiatives, often verified by independent international government bodies, undertaken to fight terrorism, in the order in which each of the topics is raised in 'Section 2; Findings' of the draft bill.

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13. **SAA:** *Many religious institutions that receive funding from Saudi Arabia, and the literature distributed by such institutions, teach a message of hate and intolerance that provides an ideological basis for anti-Western terrorism. The effects of such teachings are evidenced by the fact that Osama bin Laden and 15 of the 19 individuals who participated in the terrorist attacks of September 11, 2001 were citizens of Saudi Arabia.*

As outlined above, the government of Saudi Arabia has put in place rigorous financial controls to ensure that no funds are used for illicit purposes. Saudi Arabia has also taken decisive steps to eradicate extremism from its institutions of learning by overhauling all materials and teaching methods. These programs are on-going. Imams who preach intolerance are disciplined.

In 1994, the government of Saudi Arabia revoked Osama bin Laden's citizenship and froze his financial assets. Saudi Arabia considered bin Laden a threat because of the extremist ideology he espoused and his desire to overthrow the Saudi government, which was a partner of the United States. Putting 15 Saudis on the planes was a premeditated act by bin Laden to destroy U.S./Saudi relations. By 2001, Al-Qaeda had more than 6,000 members from over 50 countries. Bin Laden could have chosen any nationality to carry out the attacks. He intentionally used Saudis to give the operation a Saudi face and to create doubts about the Kingdom as an ally.

This material is distributed by The Gallagher Group, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, D.C.

FOR IMMEDIATE RELEASE

June 16, 2005

CONTACT:

Saudi Information Office

(202) 337-4076

www.saudiembassy.net

FIVE TERRORIST SUSPECTS CAPTURED BY SAUDI SECURITY FORCES

WASHINGTON, DC [June 16, 2005] – Saudi security forces have arrested five individuals, all of Chadian nationality, suspected of terrorist activity, including efforts to finance an Al-Qaeda cell by carrying out a series of armed robberies in Jeddah over a two-month period last year. Three of the suspects are connected to the murder of French citizen Laurent Barbot on September 25, 2004, and to the robbery at the British Airways office in Jeddah on August 25, 2004.

“This capture represents another success in the global war against terrorism,” Ambassador to the United States Prince Bandar bin Sultan remarked. “Saudi Arabia’s counter-terrorism efforts and our security forces have become increasingly sophisticated and effective. Terrorists have nowhere to hide in the Kingdom.”

Since 2003, 23 of Saudi Arabia’s 26 most-wanted terrorist suspects have been either killed or captured.

###

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FOR IMMEDIATE RELEASE

July 7, 2005

CONTACT:

Saudi Information Office

202-337-4076

<http://www.saudiembassy.net>

SAUDI AMBASSADOR TO THE U.S. CONDEMNS ATTACKS IN LONDON

[Washington, DC] [July 7, 2005] – Saudi Ambassador to the United States Prince Bandar bin Sultan expressed his sorrow at the death of civilians in today’s terrorist attacks in London. Prince Bandar condemned the attacks as vicious crimes carried out by cowards, and extended, on behalf of the people of Saudi Arabia, the “deepest condolences to the families of the victims of the attacks.”

“As victims of terrorism, the people of Saudi Arabia express their deepest sympathies to the families of the victims, as well the British people and government, and pray to Almighty God to bring those who carried out this barbaric act to justice.”

Prince Bandar further added that the criminal attacks in London are a sad reminder that no nation is immune from terrorism and encouraged the international community to continue to work together and remain vigilant in combating terrorism.

###

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Royal Embassy of Saudi Arabia
London, United Kingdom

**STATEMENT CONCERNING THE TERRORIST ATTACKS IN LONDON THIS
MORNING**

[London][July 7, 2005] – *Saudi Ambassador to London, Prince Turki Al-Faisal, issued the following statement today:*

“On behalf of the Government of the Kingdom of Saudi Arabia, I wish to assure the people of the UK that our thoughts and prayers are with the victims of the terrible crimes that took place in London this morning.

“In Saudi Arabia we have suffered at the hands of terrorists and we stand by the UK in every effort to bring the perpetrators of terrorism to justice. Saudi Arabia has always and continues to condemn all terrorism wherever it may be and whatever its cause.”

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This statement is distributed by Qorvis Communications, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, DC.

July 8, 2005

GRAND MUFTI'S STATEMENT CONDEMNING THE LONDON BOMBING

Shaikh Abdulaziz Bin Abdullah Al-AsShaikh, the Grand Mufti of Saudi Arabia, Chairman of the Committee of Senior Ulema [religious scholars] and Chairman of the Department of Scientific Research and Ifta [guidance], today condemned the terrorist bombings in London and issued the following statement:

“Killing and terrorizing innocent people and the destruction of property are not condoned by Islam. Attributing all these horrific incidents to Islam is unjust. Muslims should tell the truth and unveil falseness, and inform all people that Islam is a religion of righteousness, betterment and progress. Islam is the final revelation that Allah chose for humankind to guide it from darkness to light. Allah said: “This day, I have perfected your religion for you, completed My favor upon you, and have chosen for you Islam as your religion.”

“Our religion urges us to fulfill our obligations and prohibits us from abandoning such obligations. Allah said: “O you who believe! Fulfill your obligations.” The unjust killing of a human being in Islam is forbidden. Allah said: “And kill not anyone whom Allah has forbidden except for a just cause.”

“Corruption on earth is considered a major sin in Islam. Allah said: “And of mankind there is he whose speech may please you in this worldly life, and he calls Allah to witness as to that which is in his heart, yet he is the most quarrelsome of the opponents. And when he turns away from you, his effort in the land is to make mischief therein and to destroy the crops and the cattle, and Allah likes not mischief. And when it is said to him ‘Fear Allah,’ he is led by arrogance to more crime. So enough for him is Hell, and worst indeed is that place to rest.”

This statement is distributed by Qorvis Communications, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, DC.

July 8, 2005

GRAND MUFTI OF SAUDI ARABIA'S STATEMENT ON THE KILLING OF EGYPT'S ENVOY TO IRAQ

Shaikh Abdulaziz Bin Abdullah Al-AsShaikh, the Grand Mufti of Saudi Arabia, Chairman of the Committee of Senior Ulema [religious scholars] and Chairman of the Department of Scientific Research and Ifta [guidance], today issued the following statement in response to the killing of the Egyptian envoy to Iraq:

“Praise be to Allah, and prayer and peace upon his last Prophet. We ask Allah to preserve our religion and bless us by adhering with it to the apparent and hidden truth and keep us sane and protect us from the evils of ourselves.

“We heard with great pain what happened to the Egyptian envoy to Iraq, and since this incident was falsely put in a religious context we would like to present the truth, and hope that Allah will guide by it the hearts of those who deviated from the righteous path.

“Killing of the souls that Allah prohibited is a great crime and one of the greatest sins, as Allah says: “And kill not anyone whom Allah has forbidden, except for a just cause,” and Allah also says: “Because of that we ordained for the Children of Israel that if anyone killed a person not in retaliation of murder or to spread mischief in the land, it would be as if he killed all mankind.”

“What happened to the Egyptian envoy, as he was kidnapped and killed, is considered spread of mischief in the land which Allah prohibited.

“Allah says: “And of mankind there is he whose speech may please you, in this worldly life, and he calls Allah to witness as to that which is in his heart, yet he is the most quarrelsome of the opponents. And when he turns away from you, his effort in the land is to make mischief therein and to destroy the crops and the cattle, and Allah likes not mischief. And when it is said to him “Fear Allah,” he is led by arrogance to more crime. So enough for him is Hell, and worst indeed is that place to rest.”

“It is, therefore, clear that this action is prohibited and is among the great sins, and even worse is to relate it to religion. That is a major crime and deceit using the name of Allah, as Allah says: “Verily, those who invent lies against Allah will never prosper.”

“This statement is to present the truth and advise the nation. We ask Allah to preserve our religion and peace, to keep us sane and guide us to understand our religion and adhere to the deeds of our Prophet and to save us from the apparent and hidden temptations of sedition. Amen.”

This statement is distributed by Qorvis Communications, LLC on behalf of the Royal Embassy of Saudi Arabia. Additional information is available at the Department of Justice, Washington, DC.

James Gallagher

From: James Gallagher
Sent: Tuesday, July 26, 2005 4:54 PM
To: jgallagher@GallagherGroupLLC.com
Subject: Op-Ed by Prince Turki

Below is a copy of an op-ed co-authored by the incoming Saudi Ambassador to the United States, Prince Turki Al Faisal. I thought it would be of interest to you.

Jamie

The Daily Telegraph

Battling the cancer within

*By Prince Turki Al Faisal and Lord George Carey
July 24, 2005*

What makes a man take his own life and the lives of dozens of innocent people: mothers, fathers, brothers, sisters, sons and daughters the heroes and heroines of everyday life?

We should be clear upon one thing which is that it has nothing to do with any faith. Good people of all faiths, or of none, are united in seeing the London bombings as a terrible act against humanity.

Not to see this is to be inhuman. There is no faith that condones the taking of innocent life and that celebrates suicide. The killing of innocent people is prohibited by all faiths.

"Thou shalt not kill" is one of the 10 commandments passed down to us all from the Prophet Moses in the Bible. "Whoever kills a person has killed the whole of humanity," says one of the best known Quranic verses.

Suicide is a sign of an individual's alienation from God and their alienation from the human family to which we all belong. This shared human bond, on which we are all so widely and clearly agreed is a bond that can transcend other divisions.

Our deeply shared humanity unites us. We serve as co-chair of the Council of One Hundred of the World Economic Forum. In this we are committed to building bridges and to overcoming divides.

One of us has served as a Christian leader in the Britain and the other as a Muslim diplomat, but we share a common goal, which is to build a vehicle and a dialogue that can address this great challenge of our time.

We do this in the belief that it is possible to construct a world built upon cooperation and harmony sustained by meaningful dialogue. We reject the inevitability of a "Clash of Civilisations".

8/27/2005

We do not accept the concept of "Islam versus Christianity," or of "the West versus Islam". Differences are real and need to be acknowledged, but the bonds of common humanity and of our being citizens together of one world are stronger.

Islam, Christianity and Judaism are all Abrahamic faiths with the same core values. Yet facts must be faced.

Twisted vision

There are those among our human family who are committing these deeds of horror and devastation and who do not see how evil and terrible they are. They claim to be faithful to Islam and faithful to God but they are not.

This is not Islam and these acts are absolutely not the will of God. Their twisted vision is alien to the healthy body of the faith that holds the world's Muslim community together. It is a wicked perversion of the common values of faith.

The misappropriation of religious labels for violent ends is not a new problem, as past conflicts and experiences in Northern Ireland have made clear, but it is a very urgent one. Politicisation of any faith can be extremely dangerous.

In the Middle East, the separation between politics and religion has, by some, been confused, and it is a highly volatile and dangerous confusion that must end.

The fact that the laws of Muslim countries, including Saudi Arabia, are Islamic laws and that their governance is guided by Islam, does not mean and never has meant that Islam can legitimately be used as a political tool.

Perverting traditional texts

Imams and teachers who have used Islam to bolster and preach their political beliefs have done so by perverting traditional Islamic texts.

Declaring fatwas permitting suicide bombings goes against everything at the heart of Islam. These so-called Muslim scholars must be and are condemned. They are violating the most dearly held principles of Islam.

The terrorists who have been led to kill themselves are the victims of bad teaching, resulting from this twisted ideology subjecting religion to political ends. Al Qaida is not and never has been an Islamic force.

Majority of imams in the Muslim world both since and well before 9/11 have consistently and widely condemned suicide bombings in particular and terrorism in general.

The West does need to understand that while some Islamic scholars may seek to follow a path that goes back to a fundamental view of Islam, they do not accept suicide bombings or the taking of innocent human life.

No one can do this and be a true Muslim.

What then must be done? The Islamic world needs to acknowledge the cancer within its own community and to root it out. Muslim scholars must come out loudly and strongly against suicide bombing regardless of where, when and why they have happened.

We must undertake a global act of collective self-examination. In Islamic terms this is a project of muhasaba, a quest for the authentic Muslim voice that can dissolve the dark forces of destruction and point towards our true human values that cherish life and can bring about true human flourishing.

In the words of the Quran: "God does not change the condition of a people until they change the condition of their own selves" (13:11).

This is happening: there is a deep significance in three declarations made immediately before and after the London (7/7) bombings.

First, more than 170 Muslim religious leaders met in Amman, both Shiite and Sunni leaders as well as Ebadis and Esmailis. They all agreed that only those trained within the traditional eight schools of Islamic jurisprudence have the authority to issue fatwas.

This might seem an academic point, but it is fundamental to undermining the legitimacy of so called Islamist (rather than Islamic) terrorism.

This declaration makes clear that none of these supposed fatwas is legitimate or Islamic: Islam has united and declared the terrorists to be in breach of the Islamic faith.

Peace-loving citizens

Second, immediately after the bombing, the Grand Mufti Shaikh Abdul Aziz Al Shaikh issued a statement condemning the terrorists. He has consistently condemned suicide bombings which have no basis in Sharia.

Last week, 500 British imams put out a fatwa prohibiting suicide bombings and the killing of innocent people. For its part, the West needs to be supportive of the vast majority of Muslims who are peace-loving citizens.

The West also needs to understand the dangers encompassed in the liberal society which it advocates. That liberalism is the very tool used by extremists to foster and spread their twisted ideology.

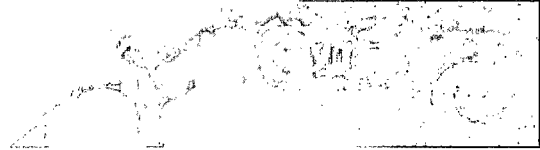
We appeal to the West and world of Islam not to generalise but to differentiate the minority from the majority. It is time for us all to realise that true freedom is the freedom to live a moral life in fellowship with all mankind as citizens of one precious world. In the name of God we invite everyone to help build it.

Prince Turki Al Faisal is the Saudi Arabian ambassador to Britain. Lord George Carey is the former Archbishop of Canterbury

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LATE Edition

with Wolf Blitzer



CNN

July 24, 2005

Interview with Prince Turki Al-Faisal

BLITZER: And coming up, my exclusive conversation with Prince Turki Al-Faisal. He's Saudi Arabia's next ambassador to the United States. Then, what will it take to secure Americans from another terrorist attack? We'll get insight from a pair of security experts. "LATE EDITION" continues right after this.

(COMMERCIAL BREAK)

BLITZER: Welcome back to "LATE EDITION." And just 2.5 years ago, before the start of the Iraq war, I visited the Persian Gulf region. One of my stops, Saudi Arabia.

During that visit, I had the chance to speak with the country's former chief of intelligence, Prince Turki Al-Faisal, at his sprawling ranch outside Riyadh. He was preparing to become Saudi Arabia's ambassador at that time, to Britain. Here's what he told me then about the war on terror and Osama bin Laden.

(BEGIN VIDEO CLIP)

PRINCE TURKI AL-FAISAL, SAUDI ARABIA: I think we have to put a closure on bin Laden as a world community. He has to be captured or eliminated in order to put an end to this almost now mystical aura he has of being invincible, unfindable and unpunishable.

(END VIDEO CLIP)

BLITZER: And joining us now from London is Prince Turki Al- Faisal. He's designated to become Saudi Arabia's next ambassador to the United States, replacing the retiring and very influential Prince Bandar bin Sultan, who's been here for more than two decades, and he's become almost a venerable Washington institution.

Prince Turki, thanks very much. Welcome back to "LATE EDITION."

You'll have a tough act to follow when you come into Washington. You realize that, don't you?

AL-FAISAL: Good evening, Wolf. Of course I do, and I look forward to learning from what my predecessor, Prince Bandar, has done in Washington, and to build on what he did.

BLITZER: You told me when we met at your ranch, and we played that sound bite just now, that this war on terror really requires the killing, the elimination of Osama bin Laden. That has not yet happened. What's the problem, from your perspective?

AL-FAISAL: I think probably it's a question of assets and deployment of more resources in the

search for bin Laden. We know that he is in an area that is very difficult to pursue him in and, therefore, more assets and people and equipment are required.

BLITZER: Is it a lack of desire? In other words, is the U.S. simply not anxious enough to kill him, that's why there's a lack of resources?

AL-FAISAL: I cannot believe that, because as you know, President Bush said that he is going to get bin Laden, and I think all of us would like to see that day happen. I really don't know. You'll have to ask our American friends for an answer to that question.

BLITZER: You're one of the few leaders in the world that's actually spent some time with Osama bin Laden. You met him before 9/11, is that right?

AL-FAISAL: I met him in the '80s, long before he became the monster that he did after that.

BLITZER: What made him become a monster? Just reflect a moment on that.

AL-FAISAL: Well, I'm not a psychiatrist nor a psychologist, but I think during the jihad against the Soviets, he played a supporting role to the Mujahedeen and came probably to believe that he, himself, had a hand in liberating Afghanistan.

And when that war ended, I think he probably started looking for causes. And as such, he built the al Qaeda group, starting from the late '80s, probably early '90s, and went on from there. But you'll have to ask a psychiatrist for a definitive examination of bin Laden.

BLITZER: You've co-authored an article that appears today in the Sunday Telegraph in London, with Lord Carey, the former archbishop of Canterbury. Among other things, you write this: You say, "The Islamic world needs to acknowledge the cancer within its own community and to root it out. Muslim scholars must come out loudly and strongly against suicidal bombing regardless of where, when and why they have happened."

Why are Muslim scholars and other Muslim leaders, at least so far the impression we get around the world, reluctant to do so, to issue a fatwa, for example, against these killers?

AL-FAISAL: Well, I don't think it's a matter of reluctance inasmuch as making yourself heard. Every chance that a Muslim leader has, he denounces these things, but it is not being resonated enough in the world media and in the various audiences and fora that they may have. I think there should be more of that.

As far as fatwas are concerned, many fatwas have come out from Muslim scholars and religious leaders against suicide bombings and against the killings that have taken place, but they're just not getting enough resonance in the public media and the public audiences that should be where these statements are directed. And that's what I and Lord Carey are calling for, that there should be even more than what has happened already.

BLITZER: As you know, Prince Turki, there's criticism, especially here in Washington from the U.S. Congress that Saudi Arabia, your government itself, is not doing enough to stop the money flow, to stop the education, to stop the creation, if you will, of these terrorists. What do you say to that criticism?

Well, I think it's a misplaced criticism. I know if they consult with their federal government, from

the president down on, they will see that Saudi Arabia is really in the forefront of the fight against terrorism, and has been for many years.

There are -- I know of three committees that are working together, one on the intelligence matters, one on the money matters, and the other one that was established after Crown Prince Abdullah's visit to Crawford a few months ago, headed by our two foreign ministers.

AL-FAISAL: So it is not for lack of doing on the part of Saudi Arabia. But perhaps more of these Congressmen should come to Saudi Arabia and see for themselves what we are doing.

BLITZER: Because the argument is that many of these madrassas, these Muslim religious schools, whether in Pakistan or elsewhere are being funded with Saudi money. And that it is in those schools where this hatred, this ideology is created. Have you stopped funding these madrassas where so much of what the critics say is the root cause of these al Qaeda operatives comes from?

AL-FAISAL: I spent some time with a senator from your Senate in February 2002, soon after 2001, in which he made this claim. And I told him, "Senator, we don't finance these madrassas. But if you have information, would you mind giving me the names of these madrassas so that we can trace who is behind them and who is funding them. And if there is any Saudi money going to it, we will stop it."

He said, "All right," and he turned to his aide and told him, "Furnish him with the names." And as we were leaving, I asked the aide if he could do that, and the aide said, "I'm sorry, it is classified."

So if we're being accused of something, we have to have the information. We need specific names, specific addresses, specific things like that to be able to trace and pursue these matters. And we're doing everything we can.

As I told you, we have a joint committee with your government, dealing with these financial issues. And they are sitting in Saudi Arabia in place there all the time, reviewing of what goes out of Saudi Arabia and if anything goes to these madrassas or any other places. So it is unfair to make the claim, without providing the information.

BLITZER: Here is a criticism that Freedom House, a group in the United States that promotes democracy around the world, made against Saudi Arabia. Many of these books are circulated as mosques here in the United States and elsewhere.

They said that, "These publications of hate," in their words, "propaganda reflecting a totalitarian ideology of hatred that could incite to violence. And the fact that it is being mainstreamed within our borders through the efforts of a foreign government, namely Saudi Arabia, demands our urgent attention."

Have you looked through these publications to see if they promote hatred of Christians, hatred of Jews, hatred of infidels, if you will? **AL-FAISAL:** I have not personally. I'm picking up my post in the fall, probably. And I will look into these allegations. And if there is any such truth to them, of course we will take action on them. As you know, Islam is a religion of peace and harmony and understanding. And therefore, if there is anybody who is misusing Islam for any purpose whatsoever, we cannot accept that. And we do not accept that.

And the kingdom, as I told you, is in the forefront of the fight against terrorism, having

eliminated so many people from al Qaeda that have been operating in the kingdom itself and working closely with your government and other governments to eliminate this hatred and this viciousness that characterizes the works of al Qaeda.

BLITZER: You'll have a major challenge when you arrive in Washington as the point person for your government in dealing with the Senate and the House of Representatives. Earlier this year, more than a dozen U.S. senators, Democrats and Republicans, wrote to Secretary of State Condoleezza Rice.

Among other things, they said this, "If Saudi Arabia, a nation that professes to be an ally in this war, continues to openly support religious extremism throughout the world, Saudi Arabia's efforts to export militant Wahhabi ideology throughout the world inflame the type of anti-American sentiments that lie behind the potential of terrorist attacks that continue to be the greatest threat to our national security. Therefore, it is essential that Saudi Arabia be accountable for its support of radical Islamic ideology."

You recognize the challenge you'll have to convince them that you're doing that when you get here to Washington?

AL-FAISAL: Well, I hope to be able to meet with each and every senator and congressman who wishes to see me. And we will discuss these issues thoroughly. I'm there to represent my government and my people. And I hope to be able to answer any questions or any issues of that nature that they may bring up.

I'm open to any such discussions. And I hope when I get there, I'll be able to sit down and discuss them with these people.

BLITZER: When I interviewed the Iraqi prime minister, Ibrahim al-Jaafari, here on "LATE EDITION" on June 26th, he suggested that much more could be done in securing the borders of Iraq so that insurgents couldn't cross those borders into Iraq and suggested that it wasn't just Syria that was a problem. The Saudi border was a problem as well. Listen to what he said.

(BEGIN VIDEO CLIP)

IBRAHIM AL-JAAFARI, IRAQI PRIME MINISTER (THROUGH TRANSLATOR): There are bases in other countries outside our borders that are feeding these terrorist networks. They are training them. They are giving them money.

(END VIDEO CLIP)

BLITZER: What do you say to the Iraqi government?

AL-FAISAL: Well, we have already told our Iraqi brothers that we have a 900-kilometer border with Iraq.

It is fully manned on our side of the border, but it is not manned at all on the Iraqi side of the border. And that's one of the problems that is not faced not just on the border with Saudi Arabia, but with other borders, with Iran, with Turkey, with Syria and with Jordan.

And we have asked our Iraqi brothers to deploy frontier troops to the border.

We've had for two years a border post on our side with Iraq that has been fully manned on our side to be able to communicate with Iraq and let goods and services go through that border. And it has not opened because there are no Iraqi officials on the other side.

So if there is blame to be put, it is a blame on everybody, really, for not doing enough.

And I would ask our Iraqi brothers to deploy more troops on those borders. And the allied forces, of course, have a responsibility there. I think there should be more troops on our side -- on the Iraqi side of the Saudi border, as on other borders.

We're willing to work with our Iraqi brothers to eliminate any problems of that kind.

BLITZER: When is Saudi Arabia, Mr. Ambassador, going to send an ambassador to Baghdad?

AL-FAISAL: I think the issue of the ambassador is under full discussion. You've seen what happened to ambassadors and others who have gone to Baghdad. And it would be reckless, I think, for anybody to endanger the life of their representatives in Baghdad. But that is not for me to decide. I think it is for both sides to get together and so on.

And I hope, also, that our Iraqi brothers will find a way to put an Iraqi ambassador in Riyadh, which has not happened yet.

BLITZER: Well, we will look forward to your arrival here in Washington, Mr. Ambassador. As I said earlier, you have a tough act to follow, but you're highly qualified, and I'm sure you will represent your country well here in the United States. Thanks very much for joining me.

AL-FAISAL: Thanks very much, Wolf.

BLITZER: Appreciate your joining us.

July 28, 2005

**Response to ‘In Who’s Best Interest’,
a report by the Office of Senator Frank R. Lautenberg**

The following responses are listed in order of presentation in the Lautenberg report.

1. *“Saudi Arabia is Producing the Majority of Foreign Insurgents in Iraq.”*

False. The numbers and percentages of foreign fighters in Iraq are not based on accurate data. The Saudi government works closely with the U.S. government to identify any Saudis in Iraq. The Saudi government has also asked the Iraqi government for any information about Saudis in Iraq. To restate unconfirmed reports or numbers for political purposes is not a responsible action.

Furthermore, Saudi Arabia and its people fully support and encourage a stable and united Iraq. One of the Kingdom’s greatest concerns is the welfare of the Iraqi people. To alleviate their suffering, the Kingdom has provided a comprehensive aid package, including soft loans, export guarantees, and the delivery of convoys of humanitarian supplies. It also provided a large, fully staffed field hospital to Baghdad.

2. *“The Saudi Government Allows Money To Go To Terrorists.”*

False. Saudi Arabia has put in place one of the most rigorous financial controls in the world. It has also put in place strict controls on charities: no Saudi charity can collect contributions in cash or send funds outside the country. Saudi Arabia has implemented all 40 recommendations on money laundering and all 8 recommendations on terror financing established by the Financial Action Task Force (FATF), which was established by the G-8 countries and is regarded as the world’s premier authority on establishing standards for combating money laundering and terror financing. Its 15th Annual Report in 2004 confirmed that Saudi Arabia had adopted the FATF standards. The report was written after FATF sent a team to the Kingdom in the fall of 2003 to conduct a “mutual evaluation”, and provided the following assessment:

“Saudi authorities have focused heavily on systems and measures to counter terrorism and the financing of terrorism. Specifically, they have taken action to increase the requirements for financial institutions on customer due diligence, established systems for tracing and freezing terrorist assets, and tightened the regulation and transparency of charitable organizations.”

With regard to actions taken against individuals suspected of financing terrorism, the Kingdom has frozen bank accounts of, filed charges against, and convicted individuals. The 15th annual report of the Financial Action Task Force (FATF) of

the G-8 detailed the prosecutions the Kingdom had made related to terror financing:

“... there have been 62 successful prosecutions for ML [money laundering]. Additionally, 5 cases had been initiated for TF [terror financing] with one successful conviction.... ML is treated as a serious crime and is dealt with by the General Court responsible for dealing with serious criminal acts. Article 16 of the AML Law (2003) ensures that persons who commit an offence under Article 2 of the AML Law (2003) can be subject to a prison sentence of up to 10 years and a fine of up to SAR 5 million. Article 17 of the AML Law (2003) allows these sentences to be increased to 15 years imprisonment and a SAR 7 million fine if the ML offence is committed under aggravated circumstances.”

3. *“Fifteen of the Nineteen 9/11 Hijackers were Saudis.”*

This is an undeniable fact, but putting 15 Saudis on the planes was a premeditated act by bin Laden to harm U.S./Saudi relations. Al-Qaeda had more than 6,000 members from more than 50 countries. Bin Laden could have chosen any nationality to carry out the attacks. But he intentionally used Saudis to give the operation a Saudi face and create doubts about the Kingdom.

4. *“The 9/11 Commission Called for a Change in the U.S./Saudi Relationship.”*

The 9/11 Commission Report called for more cooperation in the war against terrorism. It also called for a strengthening of the relationship. The United States and Saudi Arabia have been maintaining joint task forces on counter-terrorism and terror financing since the summer of 2003. The relationship between the two countries in this area is extraordinary, unprecedented and widely recognized.

Furthermore, the 9-11 Commission confirmed that it found no evidence that the government of Saudi Arabia funded Al-Qaeda. The 9-11 Commission also confirmed that it found no evidence that the 9-11 hijackers received funding from Saudi citizens Omar Al-Bayoumi and Osama Bassnan.

According to the 9-11 Commission’s Staff Statement No. 15:

“...we found no evidence that the Saudi government as an institution or senior officials within the Saudi government funded al Qaeda.”

According to the 9-11 Commission’s Staff Statement No. 16:

“No credible evidence exists that the operatives received substantial funding from any person in the United States. Specifically, there is no evidence that Mihdhar and Hazmi received funding from Saudi citizens Omar al Bayoumi and Osama Bassnan....”

5. *“Saudis Teach Anti-American Radical Islam to Children.”*

False. The Kingdom has undergone a comprehensive review of the textbooks and materials in its schools in the last several years. About five percent of the content of textbooks was found to be objectionable. And about 10 percent was questionable. The government has removed the five percent that is objectionable and has taken steps to deal with the 10 percent that is questionable. The Kingdom is undergoing a thorough review of its educational curriculums to ensure that extremism and intolerance are purged from its educational system.

In February 2005, the Kingdom of Saudi Arabia began a national public awareness campaign to educate Saudi citizens about the realities and danger of extremism and terrorism. This program, initiated with the Counter-Terrorism International Conference held in Riyadh from February 5-8, 2005, featured advertisements on television, radio and billboards, as well as programs on television, in schools and mosques, and at sporting events. Its objective was to educate Saudi citizens about the true values of the Islamic faith and the importance of tolerance and moderation.

- The campaign, conducted over several months, had as one of its centerpieces a series of public service advertisements that were aired up to 25 times a day on a number of Arabic satellite networks including Al-Arabiya, MBC and Future Television, as well as on Saudi TV channels.
- Six government ministries coordinated the development and execution of the programs. The Ministry of Education, for example, sponsored lectures at public schools promoting moderation, tolerance and peace and point out the dangers of extremism.
- The campaign also held discussions at schools and mosques throughout the Kingdom of Saudi Arabia promoting tolerance, discrediting the views of the extremists, and educating people about the true meaning of the Islamic faith, which is a faith of compassion, peace, mercy and love.
- The campaign included the production of documentaries that examine the history of extremism and terrorism in the Middle East, as well as in Saudi Arabia.
- There were also talk shows, where youth discussed issues important to them, as well as television advertisements and cartoons designed to appeal to the very young.
- As a part of the public awareness campaign, billboard advertisements, statements on utility bills and receipts from ATMs carried messages throughout Saudi cities promoting peace and tolerance and discrediting extremism and terrorism.

The bottom line is that no Saudi citizen was able to escape the clear message that intolerance, violence and extremism are part neither of the Islamic faith nor Saudi culture or traditions.

6. *“The Saudi Government Persecutes Christians and Other Religious Minorities.”*

False. There are over six million non-Saudis living in the Kingdom, representing all faiths. They are allowed to practice their religious beliefs in the privacy of their homes. Saudi officials have repeatedly stated this.

7. *“The Saudi Government Oppresses Women.”*

False. Saudi Arabia is a conservative society. One can educate people, but one cannot force them to abandon their traditions and faith as they see them. The rights of women are rapidly evolving, especially in the area of economic participation. Certainly, over the past three decades, women in Saudi Arabia have made great strides: over 50% of college students in the Kingdom are women, they own businesses and properties, they work as bankers and doctors. And while the Saudi women have come a long way, Saudi society is working towards further empowering them.

8. *“Saudi Arabia’s Dictators Oppose Democracy.”*

False. The Saudi government has introduced a series of steps designed to make government more efficient, and to broaden political participation. In the early 1990s, King Fahd established the Consultative Council (composed of 60 members) and introduced the Basic Law of Governance. Over the years, the Consultative Council was expanded, and its powers increased. Today, it has 150 members, and it can initiate laws, review budgets, hold hearings, and do what most legislative bodies do.

Over the past few years, the Kingdom has established a National Human Rights Association, an association for journalists, and a Center for National Dialogue. From February through April 2005, the Kingdom held elections and Saudi citizens voted for representatives in the country’s 178 municipal councils.

The Saudi government is committed to expanding political participation, in line with the country’s culture and traditions. The objective is to enhance the welfare of the Saudi people and make government more efficient.

9. *“The Saudi Government calls for Israel’s Destruction.”*

False. The Kingdom of Saudi Arabia remains committed to the peace process and is working closely with the United States and President George W. Bush to help bring about an end to violence in the Middle East. In spite of the many obstacles, Saudi Arabia is determined to find a just solution to the conflict. Crown Prince Abdullah presented a peace plan which was adopted unanimously by all 22 nations of the Arab League and was embraced by the United States, the European Union and more than 60 countries.

The plan calls for the following:

- Full Israeli withdrawal from all the territories occupied in 1967, including the Syrian Golan Heights and any remaining occupied Lebanese territories, to the lines of June 4, 1967.
- A just solution to the Palestinian refugee problem, to be agreed upon in accordance with UN General Assembly Resolution 194.
- The establishment of a sovereign independent Palestinian State on the Palestinian territories occupied since June 4, 1967 in the West Bank and Gaza strip, with East Jerusalem as its capital.

In return, the Arab countries affirm that they will:

- Consider the Arab-Israeli conflict formally ended, and enter into a peace agreement with Israel, and provide security for all states in the region.
- Establish normal and peaceful relations between Israel and all Arab states in the context of a comprehensive peace.

10. *“The Saudi Government Controls the OPEC Oil Cartel That Keeps Gas Prices High.”*

False. There are four primary reasons for high oil prices right now:

1. There is concern about the stability of important producers, which adds a “political risk” premium to the price of oil.
2. There is increasing demand for oil by China and India as well as the United States.
3. There is a shortage of infrastructure, including refineries, particularly in the United States.
4. There is speculation by hedge funds.

While these factors are contributing to increased prices, Saudi Arabia continues to seek a balance in the oil markets to avoid disruptions or shortages. It has increased oil production, and informed its customers that it will make more oil available, should they require it. It has also put in place a program to increase production capacity over the next five years at a cost of \$50 billion to ensure that supplies are adequate. Saudi Arabia can produce the crude oil, but if it cannot be refined, it will not become gasoline, and gasoline prices will not drop.

The Kingdom is aware that high oil prices can negatively affect the world economy by slowing economic growth and future demand for oil, which hurts producers in the long run. Producers and consumers share a common interest in stable markets, and Saudi Arabia is committed to ensuring the availability and reliability of sufficient supplies of energy.

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Washington, DC
www.saudiembassy.net

**ROYAL COURT ANNOUNCES DEATH OF KING FAHD;
CROWN PRINCE ABDULLAH PROCLAIMED KING**

[Washington, DC] [August 1, 2005] - The Royal Court announced this morning with deep sorrow and pain the death of Custodian of the Two Holy Mosques King Fahd bin Abdulaziz due to illness. Funeral prayers for King Fahd will be held tomorrow following Asr (afternoon) prayers at the Imam Turki bin Abdullah Mosque in Riyadh.

In accordance with Article 5 of the Basic Law of Governance, Crown Prince Abdullah was proclaimed King of the Kingdom of Saudi Arabia. King Abdullah has designated as Crown Prince His Royal Highness Prince Sultan bin Abdulaziz.

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سفارة المملكة العربية السعودية
بالتعاون مع
مكتب الإعلام

ROYAL EMBASSY OF SAUDI ARABIA
INFORMATION OFFICE

August 2005

Latest Developments: Saudi Arabia's Progress in the War on Terrorism

Saudi Arabia is an active partner in the international coalition that was formed to combat terrorism and has been working diligently with the United States and other nations to destroy terrorist organizations and eliminate the threat they pose to the international community. The following is a summary of facts relating to Saudi Arabia's efforts in the war on terrorism. For the complete document on the War on Terrorism, please visit www.saudiembassy.net and access "Reports".

Suspects Killed, Arrested and Questioned:

- More than 90 militants have been killed in the past two years.
- The Ministry of Interior issued a new 36 most-wanted list on June 28, 2005. To date, three of the terrorists on that list have been arrested and two killed. Of the 26 on the most-wanted list issued on December 6, 2003, 24 are known to have been killed or are under arrest.
- Saudi security forces have succeeded in preventing more than 50 planned terrorist acts.
- More than 800 individuals have been arrested on suspicion of terrorist activity or support.
- During the past two years about 40 Saudi security officers have been killed and more than 200 have been wounded while carrying out their duties in terrorist-related incidents.
- Thousands of kilos of explosives, and large quantities of weapons and ammunition have been seized, as well as wireless communication devices, computers and related equipment, identity cards and leaflets calling for the perpetration of acts of terror.

International Cooperation:

- Saudi Arabia hosted the Counter-Terrorism International Conference in Riyadh February 5-8, 2005 attended by 51 countries and 9 international organizations.
- The United States and Saudi Arabia have established two joint task forces, one to allow law enforcement and intelligence agencies to work side by side and conduct joint operations in the fight against terrorism, and the other to combat the financing of terrorism.
- The Group of Eight's Financial Action Task Force (FATF) completed evaluations in 2003 and in 2004 and commended Saudi Arabia for implementing its 40 recommendations on money-laundering and 8 on terror financing.
- On April 29, 2004, the Office of the Coordinator for Counter-Terrorism of the U.S. Department of State released its 2003 'Patterns of Global Terrorism' report. The report praises the Kingdom of Saudi Arabia for its "unprecedented" efforts to fight terrorism both inside its borders and abroad.

Regulating Charitable Organizations:

- In February 2004 the National Commission for Relief and Charity Work Abroad was created, with exclusive responsibility for all donations leaving the Kingdom.
- In January and in June 2004, Saudi Arabia and the United States announced that they had jointly designated as terrorist financiers a total of nine branch offices of the Al-Haramain Islamic Foundation under UN Security Resolution 1267.
- In December 2003, Saudi Arabia and the United States jointly designated the Bosnia-based Vazir and the Liechtenstein-based Hochburg AG organizations as financiers of terrorism under UN Security Council Resolution 1267.
- In May 2003, the Saudi Arabian Monetary Agency (SAMA) instructed all financial institutions in the Kingdom to stop transfers by Saudi charities to any accounts outside the Kingdom.
- In December 2002, a special Financial Intelligence Unit (FIU) was established to track charitable giving to ensure that no funds reach terrorists.

Combating Terrorist Financing and Money Laundering:

- In August 2003, the Council of Ministers approved new legislation that puts in place harsh penalties for the crimes of money laundering and terror financing.
- In February 2003, SAMA began to implement a major technical program to train judges and investigators on legal matters involving terrorism financing and money-laundering methods, international requirements for financial secrecy, and methods followed by criminals to exchange information.
- In May 2002, SAMA issued rules 'Governing the Opening of Bank Accounts' and 'General Operational Guidelines' in order to protect banks against money-laundering activities. For example, Saudi banks are not permitted to open bank accounts for non-resident individuals without specific approval from SAMA.
- Saudi Arabia took prompt action on September 26, 2001 requiring all Saudi banks to identify and freeze all assets relating to terrorist suspects and entities per the list issued by the United States government on September 23, 2001.
- In 1995, Saudi Arabia established units, with trained and dedicated specialist staff, to counter money laundering at the Ministry of Interior, in SAMA and in the commercial banks.
- SAMA and the Ministry of Commerce in 1995 issued guidelines to the Kingdom's financial and commercial sectors for combating money-laundering activities.
- Saudi Arabia was one of the first countries to take action against terrorist financing, freezing the assets of Osama bin Laden in 1994.

Other Initiatives Related to Fighting Terrorism:

Every 90 days, Saudi Arabia submits to the United Nations Security Council Committees a report on the initiatives and actions taken by the Kingdom in accordance with UN Security Council Resolutions on the fight against terrorism. The Kingdom has:

- frozen financial assets of the Taliban regime (Resolution 1267);
- frozen funds of listed individuals (Resolution 1333);
- signed the International Convention for Suppression and Financing of Terrorism (Resolution 1373);
- implemented Resolutions 1390 and 1368.

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