

THE BROOKINGS INSTITUTION  
THE SABAN CENTER FOR MIDDLE EAST POLICY

A NEW PARTNERSHIP FOR THE GREATER MIDDLE EAST:  
COMBATING TERRORISM, BUILDING PEACE

SENATOR RICHARD G. LUGAR

Introduction and Q&A Session

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**THIS IS AN UNCORRECTED TRANSCRIPT.**

## **PROCEEDINGS**

### **INTRODUCTION**

MR. TALBOTT: Good afternoon, everybody. Before I say anything else, let me just apologize for the fact that Brookings has not yet installed ejector seats in this theater, so I have to just make the appeal to you from the podium here that you turn off your cell phones before we get the program under way.

I want to welcome all of you on behalf of the Brookings Institution and the Saban Center for Middle East Policy. And I want to particularly welcome an old friend and a true statesman, Senator Dick Lugar, here. We're glad to have him back on the Brookings premises.

Senator Lugar is just the kind of public figure for which the Brookings Leadership Forum has been designed. He is, as I think all of you know, the longest-serving senator in the history of the great state of Indiana, and he is the chairman of the Senate Foreign Relations Committee. Throughout his career he has been a thoughtful and independent voice. He's been a legislative statesman and an innovator, and his name is synonymous with bipartisanship and civility of public discourse.

I was struck, in thinking about the timing of his coming to see us today, by how there are two issues in the news, other than the ones that he's going to be talking about here this afternoon, on which he has made a signal contribution going back many years. One of those issues is the expansion of the community and of the alliance of democracies. Representatives of the new member states of NATO are gathering in

Washington today. In fact, there's a reception over at the White House this afternoon. And while I'm sure that Senator Lugar would like to be over there, I'm very glad he chose to be with us. But I can tell you that, as much as just about any individual I can think of, he has an awful lot to do with those dignitaries being in Washington today and their countries entering the North Atlantic Treaty Organization. He was a driving force in expanding NATO to the east during the 1990s.

The other issue on which he has made such a contribution is the struggle against the proliferation of weapons of mass destruction. Because of Senator Lugar's role in conceiving and writing into law the Cooperative Threat Reduction Program going back 13 years, there are today 6,000 fewer nuclear warheads in the world and, just as significantly, more than 22,000 scientists formerly associated with the Soviet Union's most lethal weapons programs are now gainfully employed in the general field of cooperative and peaceful endeavors rather than plying their wares elsewhere and answering want-ads in capitals where there are illicit nuclear weapons programs under way.

Senator Lugar's topic today is no less timely than the two that I just mentioned. He will outline his blueprint for a broad strategy for the Middle East. It's hard to imagine a more important subject than that, and it is certainly impossible to imagine a more worthy figure to address it.

Senator Lugar.

## QUESTION AND ANSWER SESSION

SENATOR LUGAR: I will be pleased to respond to your thoughts and questions.

QUESTION: I am Howard Pack. I'm a professor at the Wharton School of the University of Pennsylvania and a fellow of the Institute for International Economics.

There are several things that come up simultaneously. The first is, if you look across countries, Middle Eastern countries have actually done quite well in terms of economics--except for Saudi Arabia and Kuwait over the last two decades. Jordan, Saudi Arabia, and Kuwait have done poorly, but Morocco, Tunisia, Egypt have really done very well in the international context. They also have relatively limited poverty. The Middle East, if you look at an across-country sample, has remarkably little inequality of income.

Second, if we look at who are the terrorists, they've typically been relatively well educated and from the upper-income parts of society. Bin Laden, after all, is very rich. And if terrorism were really associated with poverty, we'd expect terrorists from Chad and Tanzania, not from Saudi Arabia or, indeed, Egypt. And so if you think about economic reform as a way of reducing terrorism, the links are very tenuous. In Sri Lanka, Tamil Tigers is actually pretty rich and pretty well educated. They had an ideological reason or a nationalist reason to proceed.

If we then go to economic reform, the economic reforms are deeply threatening. State-owned enterprises, as you mentioned, are a very large part of the economies. The employees there do not want to lose their jobs any more than South

Carolina textile workers do. And you know how that works in the U.S.--they're vigorous in their own self-defense.

And so if one looks at this, in some ways you have this very--you know, it's a very well crafted plan. I'm not objecting to the plan. But I think it may be an excessively optimistic view; that is, economics--which I'd like to believe, being an economist--holds the key to all issues. Because a lot of issues that are non-economic will not be addressed. Even when you go to the questions of legitimacy of the governments--Korea and Taiwan face slightly larger external threats than the Arab countries do from Israel. If you just look at population and military threat in those countries, they use the external threat to--

MR. TALBOTT: [Inaudible] get to the question.

QUESTION: Okay. --to legitimize economic reform. So the question I'm asking is are you really that hopeful about economic reform as the end of terrorism, or is it one part of a larger agenda?

SENATOR LUGAR: Well, clearly, it's one part. I take your point that there are uneven successes with regard to economies throughout the area. But it seems to me that the overwhelming number of people who are living in almost hopeless poverty is reasonably self-evident. Now, that does not mean that, as you've suggested, these are necessarily the terrorists. You know, clearly--and I'm intrigued by work that Jessica Stern has done recently, in which she has interviewed in Pakistan people who have gone into terrorism and are thinking about suicidal terrorism, and why they do it. And some of these are students some are fairly affluent, and make your point.

But the facts are that we, it seems to me, keep getting back to the point that, as we talk about this subject, Arab countries and/or Arab peoples say we are tired

of being lectured about our failings. This is an attempt, really, to say, Come up with your suggestions. A critique may very well be that nobody will play. In other words, if in fact everyone was in a status quo mood--as you say, the factory workers like the nationalized industries even if tens of millions are unemployed; maybe the tens of millions are voiceless and nobody makes a proposal.

So I admit--But this is why we try to get a broader group--the governments, but also the universities and business people and anybody in the cultural society. And we don't have the criteria we have from the Millennium Challenge, in which already you have to be at certain levels of performance. We sort of play things as they are from a situation of desperation, noting that, and noting at least proposals that might come.

QUESTION: I noticed that you made no mention, Senator, of the American presence in Iraq. And I would be interested in your comments as to how you think your proposal and similar proposals, what the Bush administration may be raising at the G-8 summit, how any American proposals in the region will be received given, rightly or wrongly, that there is a broad sense in the region that America lacks legitimacy, particularly in light of the comment that you made, that reform can't be forced but needs to happen voluntarily. There is a sense in the region that America does think that reform not only can be but must be forced.

And also, given the results, or the non-results, of the Arab summit yesterday, on the recipients end, in terms of the states in the Middle East, what kind of partners do you think we would have to kind of work through this plan of yours, given the fact that they can't even sit down and have a meeting, much less iron out any kind of roadmap for going forward?

SENATOR LUGAR: Well, certainly the decision by the Tunisians to inform people not to come was disappointing to everybody, certainly those who were planning to come as well as the rest of us, who were looking forward for the agenda to come forward that we're talking about. So I understand today that President Mubarak and the Egyptians have indicated that they hope to help revive this situation by having a meeting in Egypt or somewhere else, maybe in three weeks or a short period of time, and I hope that will be the case. But it illustrates what a daunting situation this is. And as you begin to wade into it and ask for ideas and suggestions--and, as you say, the meeting has been called off temporarily, but, I think, only that.

Now, on the American presence in Iraq, let me say that clearly I've thought that Afghanistan and Iraq and the success that they may enjoy could be models for hope for others. Maybe so, maybe not. The jury's still out in both cases. But I've suggested they're more likely to be successful if we're joined by NATO allies in Iraq. We are clearly on a path now in which Jerry Bremer is leaving the country the 30th of June. And you can see on the front page of the Washington Post this morning suggestions that some Iraqis following the Ayatollah Sistani are dissatisfied with constitutional law.

So I'm not bold enough to predict what will happen in the next six months, quite apart from beyond that time, except with the hope that there are Iraqis who in fact will want to have a democratic framework, who want to have a strong economy. But the United States is not going to be able to impose that. And I suspect that, bit by bit, our relationship with Iraq will be defined by Iraqis on the military side as well as the economic side.

This may not be an answer instantly to people who say, well, why are you there at all. Well, we are there and we are working our way with the Iraqis into a constructive resolution so that they gain sovereignty quickly and hopefully develop, really, a better life.

QUESTION: Gary Mitchell from The Mitchell Report. Mr. Chairman, your proposal is certainly bold and suggests that it would take a level of cooperation among the nations of the Greater Middle East and, clearly, the nations of the G-8 and others. I wonder if you could talk a little about what you think needs--what conditions would need to be present in American domestic politics to have something like this take hold and be successful.

SENATOR LUGAR: In American domestic politics, we at least have had some debate over the Millennium Challenge Account idea. Some scholars would argue this is so complex the debate has been limited to people who have been interested in foreign aid and foreign assistance questions. But still, this is a different idea, that somehow the proposals come for grants from the countries themselves, and that, as opposed to grants to all countries at all times, we at least have some criteria, some incentives--namely, countries that stop corruption, a move toward democracy, freedom of religion, rights for women--they're more likely to get grants.

On the case of the Middle East thing, I suggest that we don't start with criteria of that sort. We really start with no criteria. We have asked, really, participation in my proposal from the recipient countries as to what the criteria ought to be. This might come from a conference such as the one that was going to happen in Tunisia and may happen somewhere else. And which, pragmatically, there is some evidence that Middle East countries generically have accepted some reform if in fact there was



substantial money or there was a substantial possibility of economic gain coming from that. Maybe so, maybe not, but that would be my hope.

Now, for the American people, it seems to me there has to still be a very broad sense in our electorate that the rest of the world counts, that we are deeply interested in other countries. I tinge this a bit with the urgency that we ought to be interested and we're against terrorism. One can define that in many ways, but I'm one who comes more and more to sort of a sub-national cell group situation, which makes this much more complex because, after all, the people asking for the grants will be institutions, probably, or fairly well-defined groups--scholars or business people within a country, not an al Qaeda cell or some floating arrangement or this sort of thing.

But I suppose this is the debate that has to occur. Is there some faith that changing the circumstances--not unilaterally by the United States alone, but I've suggested the G-8 as a beginning point, and maybe not the ending one, for the donor group really tackles a situation that, prior to 9/11, we had not thought of in the body politic as a whole or very much, really, in official Washington. And essentially we thought about it a great deal after 9/11, and we changed abruptly our foreign policy toward large states--India, Pakistan; and small states we discovered--Uzbekistan, Tajikistan--and we are still discovering what occurred maybe over three centuries, of a fissure of economic development and political development. My confidence level in the American people is such that people as they understand these issues will be in favor of programs that have some sophisticated resolution.

QUESTION: Mr. Chairman, my name is Sayed Erekat [ph] from Al Quds newspaper. Your idea is quite intriguing, establishing a trust. You are also suggesting that it ought to be independent and should not be contingent on the resolution

of the Arab-Israeli conflict. Now, Martin Indyck, the director of the Saban Center, has suggested long ago to have some sort of a trusteeship. Now, could you incorporate the two and have, actually, the G-8, and marry the trust with the trusteeship and, you know, under this chaos that is taking place, perhaps the G-8 will assume responsibility for separating Israelis and Palestinians, instead of the wall that has taken place.

SENATOR LUGAR: Well, I've chosen, really, a different idea for the two trusteeships, and deliberately. The trusteeship, if that idea were to be adopted in the Israeli-Palestinian situation, would be a temporary one, preferably of other Arab countries in whom the Palestinians would have more trust than they would in the G-8, perhaps. Maybe they would have trust in the G-8, but my gut feeling is the politics would dictate having Arab friends that were closer at hand looking after their interests.

I think the trust idea with the G-8 is really going to lead to some debate in Europe as to how much involvement Europeans want to have in the Middle East. I'm not the only person thinking about this. Each of you would cite an excellent address by Joschka Fischer at the Munich Security Conference in which he tried to explore, in a very bold way, how Europeans--who are interested in this same problem of terrorism, these intrusions might [inaudible] the same as they've come into Spain and the United States and elsewhere--might be more forward-looking. And he pointed out the Barcelona agreement has brought together some dialogue between Europeans and Middle Eastern people, although often the conferences were postponed because of crises in the Israeli-Palestinian thing that's sort of stopped the music for awhile before they got going again.

So it was an extension of the thought that Europeans might be more involved and an extension of--I've tried to propose today that they might be involved in

military-to-military ideas, where that seemed useful, to democratize the forces, to try to think through civilian rule and defense departments.

This requires some volition on the part of other states to want to have that kind of partnership. But I'm suggesting we ought to be prepared, as G-8 and maybe broader than that, to respond constructively, as opposed to pretending that it's all hopeless out there or that somehow the Lord will provide and it's unlikely that will be the case.

So, yeah, I accept your point as an interesting one, of making this trusteeship a broader one. For the moment, I think I would separate those two ideas for the reasons I've mentioned.

QUESTION: Thank you, Mr. Chairman. Jeffrey Winegrad [ph]. I'm the editor of independent news site called Focusisrael.com. Basically I have a follow-up to the question that was just asked about the trusteeships. Israel's a democracy, and Egypt is not. Israel follows the rule of law, Egypt does not. Egypt is allowing weapons-smuggling into the Gaza Strip, and some people would say Mubarak is not Sadat. So my question is, why should the Israelis trust the Egyptians in any trusteeship?

SENATOR LUGAR: Well, I wouldn't advise trust in this case. It appears to me that, pragmatically, the Israelis might like the idea of a trusteeship so that there was in fact some entity with which to negotiate, or some degree of organization as opposed to chaos. So it would be less a question of trust than somebody pragmatically looking at circumstances that might be more favorable in the interim, as then Israel proceeds, hopefully, to find a negotiating partner and, over the course of time, sovereignty could come to a Palestinian state, perhaps through that trusteeship. And I've suggested Egypt as a logical member of a trustee group, if such was to be formed.

QUESTION: I'm Al Milliken [sp], affiliated with Washington Independent Writers. Does what the United States is doing domestically--defining or redefining marriage, protecting or not protecting the unborn, pledging allegiance under God or not--does the rest of the world care about what we're doing in these areas that others have to make decisions about, themselves? Does this affect how others respond to our leadership or partnering, or do they ignore our internal actions and even deny how this could influence their own cultures and peoples and god?

SENATOR LUGAR: Well, I doubt whether they totally ignore us, but on the other hand my general perception would be that they are not involved in our day-to-day political activities. They really have overwhelming dilemmas of existence and survival. And although perhaps our stewardship might be--or their reflections on that--influenced by the nature of our debates, and certainly always has in a way by the civility with which we approach affairs, the general fairness, or pragmatically how well we do, it seems to me that it's not going to at least change the picture that I'm presenting today. In other words, I doubt whether it will influence any members of the G-8 or the proposals that might come from countries that would want reform.

QUESTION: William Jones, currently with Amnesty Interest. I'm curious, Senator--we had met once, and that was in Turkey. And I'm curious on how Turkey has not come up. It seems to me they're the elephant in the Middle East, if not in the bedroom, and what role they might be able to play in this whole process.

SENATOR LUGAR: Well, Turkey is a member of NATO. And as a member of NATO, it might play a significant role. I've suggested such a role for NATO. I grant your point that Turkey is a very important country, and developments there make a huge difference for a whole lot of reasons. But I would say, of course, we ought to try

to find roles for Turkey and Turks, perhaps, will want to assert roles in this situation that we ought to be sympathetic with.

QUESTION: Karen Giacomo [ph], with Reuters.

Senator, have you discussed this proposal with the Bush administration? And if so, what's been the response? And how much money do you think you would need at the outset to get it going?

SENATOR LUGAR: I've not had a formal discussion with the Bush administration. Since my text was prepared several days ago, I've shared it with some members of the administration so they were not surprised by the presentation today. But they are going to walk around this problem. They have offered some suggestions. And I've indicated that some of these have been rebuffed, apparently--initially--by Arab countries. So they're interested in success here. I think there's not a pride-of-authorship problem. And in the event that my ideas found some greater acceptance, my guess is that many of them would be adopted.

MR. TALBOTT: Senator, before thanking you, I'd like to put one question to you myself. It's a little closer to home than the proposal that you brought to us today. Zbigniew Brzezinski has made a proposal in a number of speeches that he's given recently in connection with his new book on an idea that he feels would ensure bipartisan support for American foreign policy in the next presidential term, and that would be that whoever is inaugurated next January appoint a secretary of state from the other party. And he names names. He is suggesting that President Bush, if reelected, make as his secretary of state Senator Lieberman. We look forward for a chance to ask Senator Lieberman what he thinks about that. And if Senator Kerry were to be elected, his nominee is either you or Senator Hagel.

SENATOR LUGAR: Right.

[Laughter.]

MR. TALBOTT: Would you like to comment on this idea either in general or in specific?

SENATOR LUGAR: Strobe, you know I won't go there at all.

[Laughter.]

SENATOR LUGAR: We have enough ahead of us in the Middle East without being in our own campaign in that way. But I'm always flattered by mentions by my friend Zbig. But I'm interested in doing what I'm doing. I would just say candidly that being chairman of the Foreign Relations Committee in the Senate is about the best job anybody could have in this country. I like it. And I hope I can stay.

[Applause.]

MR. TALBOTT: I would call that answer not Shermanesque, but Lugaresque--which is to say judicious, gracious. And whether you go there or not, I'm glad you came here today. So thank you very much, Senator.

SENATOR LUGAR: Thank you.

[Applause.]

[Whereupon, the discussion was concluded.]