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A CONVERSATION ON IRAQ AND AFGHANISTAN WITH SENATOR JACK REED (D-RI)

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FEATURED SPEAKER:

The Honorable JACK REED United States Senate

MODERATOR:

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

PROCEEDINGS

AMB. INDYK: Senator Jack Reed is here today to speak to us about his view

of the situation in Iraq and U.S. policy on that fraught issue.

Senator Reed has a distinguished record of public service. Born and raised in

Cranston, Rhode Island, he attended the United States Military Academy at West Point. He

also attended the John F. Kennedy School of Government and the Harvard Law School and

later returned to West Point and was an Associate Professor there in the Department of Social

Sciences. In the meantime and afterwards, he was an Army Ranger and a Paratrooper, and he

served in the 82nd Airborne Division as an Infantry Platoon Leader, Company Commander,

and a Battalion Staff Officer.

He served then in the Rhode Island State Senate in the eighties and then from

1990 to 1996, he was a member of Congress for Rhode Island for the Democratic Party. He is

now the ranking Democrat on the Joint Economic Committee, a member of the Senate

Banking, Housing, and Urban Affairs Committee, but most importantly, he is a senior member

of the Senate Armed Services Committee. In that capacity, Senator Reed has been involved in

extensive travel to the troubled area of the Middle East and South Asia. He has actually made

nine trips to Iraq, and he just returned October 9th from his latest trip to Pakistan, Afghanistan,

and Iraq.

Those of you who follow this subject will know that Senator Reed is one of the

most informed and intelligent policymakers when it comes to this subject, and it could not be a

more timely moment to hear his wise counsel.

So please join me in welcoming Senator Reed.

[Applause.]

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SEN. REED: Thank you very much, Mr. Ambassador, for that very, very kind introduction and also for your extraordinary public service. I want to thank also the Saban Center for this gracious invitation.

As the Ambassador said, I just returned on October 9th from my ninth visit to Iraq and my fourth visit to Afghanistan. I want to focus my comments on the situation in Iraq, and if you want to speak about Afghanistan and other issues, I am looking forward to the question and answer period.

What I found in Iraq is increasing violence. You are seeing that in the newspapers and on the television screens. I found an increasing frustration among the population which is reflected in polls, and it is a function of lack of real progress in electricity production in Baghdad, in economic revitalization. There are some areas where there is some progress, but the perception overall is after two and a half plus years of our presence and the emerging Iraqi Government, the progress is not adequate for the people of Iraq.

There are, in my view, four struggles that are going on, some of them overlapping, intersecting. The first is principally in Al-Anbar Province where you have a Sunni community where Al-Qaeda in Iraq is operating. They are conducting operations against our Marines and Army forces there. While we were there, we visited Al-Anbar Province outside of Fallujah, there was some hope that the tribal leaders, the Sunni community, was beginning to take steps to reject Al-Qaeda, the foreign fighters, from their midst. Those steps had taken hold before, but they had essentially petered out because of reprisals and attacks by Al-Qaeda against the Sunni tribal leaders. Also, there was a perception in that area that there is a certain degree of indifference from the Government of Baghdad or worse

because it is a Sunni community and the government is dominated by Shiia.

Our Marines and Army forces are conducting operations there. I asked the commanding general whether they were economy of force operations, and he recognized that troops had been moved out of Al-Anbar to go into Baghdad, but he also pointed out what other military leaders have said, that if the Battle of Baghdad fails, then what happens in Al-Anbar is probably not going to be determinative. So you have a situation in Al-Anbar Province where it is a struggle, Sunni struggle with insurgent activity and foreign fighters.

Then you move outside of that area into Baghdad principally and other parts of the country where it is a sectarian struggle between Sunni and Shiia. Baghdad is, at this moment, sort of engulfed in such a struggle.

Then there are other parts of the country, the South principally, where it is a struggle of Shiia against Shiia. Just last week, there were reports in certain communities where Shiia militias showed up and were fighting apparently other Shiia militias. So this struggle goes on. Also, there is tension in the North between the Kurds and Arabs in the North, and that tension goes on.

Suffice it to say, this is a very complicated situation. It is not all about international terrorists. In fact, in many respects, it is very little about international terrorists. It is about internal political dynamics within Iraq and a very difficult set of dynamics.

There is another way to look at the situation on the ground, and that is in a regional area, the three regions. In the North, of course, the Kurds are enjoying significant prosperity. They have their own militia, Peshmerga, that is doing a pretty good job of controlling the situation on the ground in terms of security. In the South -- I visited the South

on my previous trip in July -- I have the feeling that the Shiia militias are really digging themselves in, that they have not been oblivious to what Hezbollah did in Southern Lebanon in terms of providing social forces as well as organizing themselves militarily. My sense is that has been going on for a few years now. In the center, of course, is where the turbulence is in Baghdad in the Sunni Triangle, and that is an area which is composed of Shiia, Sunni, and Kurds, particularly Baghdad.

This is, suffice it to say, a very complicated political and security dynamic that we are facing.

The other sense I had in addition to the violence and the frustration on the lack of progress was political inertia by the Government of Iraq. Part of that is institutional capacity, the simple things we take for granted -- doing budgets, contracting, auditing contracts, paying people on time -- is a real challenge for this government that is being pulled together very quickly in the face of tremendous security challenges and violence.

But also, I think there is intentional behavior that is frustrating the operations of this government, and let me suggest an example. Last year, last fall, I was in Iraq just at the time that the Battle for Tal Afar was underway. The Third Armored Cavalry Regiment went up and surrounded the town in the classic application of the Clear, Hold, and Build Strategy. I couldn't go up there that time because they couldn't find a plane. I returned in July, and we found a plane and went up there and went into the town of Tal Afar. It was secure. We had American military units, the cavalry units, in the community. But not much was going on. Stores were shuttered, not a lot of activity. I met with the mayor who was a very dedicated person, but he and his family lived about 60 miles away in the Kurdish area for his own

protection.

Then I returned this last trip, and I asked about Tal Afar. The response by senior military commanders was one of well-contained anger, and the anger was that after the battle was won, the Government of Iraq promised \$35 million the to do the build phase, to reinvigorate the economy, to do all the social and economic work that has to be done to truly prevail. They are still waiting for the \$35 million. Some of it is, I think, just hard to contract, hard to find the right people, but a lot of it, I think, is deliberate because some people don't want to see this Clear, Hold, and Build Strategy prevail.

But if you stop and think, that is essentially the strategy we are trying to apply today in Baghdad -- Clear, Hold, and Build. Now, with American forces and Iraqi security forces we are pretty good at clearing and holding. Where we have persistently failed is in the building, and that has been a function, I think, not only of Iraqi capability of intention but also because from the United States perspective, we have never truly matched our military effort with a comparable civilian effort in terms of State Department personnel, AID personnel, and Justice Department personnel. If you heard the President yesterday, he called this the challenge of our generation, but the Administration has not mentioned matching that challenge with the kind of resources across the spectrum of our government that I feel is necessary.

Also, if you talk to some of our commanders in the field, there is deep suspicion about the attitudes of some principal members of the Iraqi Government. The Minister of Health is repeatedly cited as someone who is, in fact, actively frustrating reconstruction in Sunni areas because of Shiia sectarian politics. Questions about the Minister of Finance, of course, the Finance Minister, I think, has an extraordinary difficult and

challenging job, but he is, as you are in political situations, beholden to the political forces that gave him the job and those forces include Sadr and the Mahdi Army, and they also include Hakim and the Badr Organization.

Within the Sunni community, there is a situation going on where there is a real, I think, sense of whether if they wait long enough and things get bad enough, they can prevail either in terms of a regionalized Iraq or a national Iraq but, clearly, the Shiia in charge with the Sunnis being essentially displaced.

As you probably understand because this is a very attentive crowd, just a few weeks ago, the Assembly passed a regionalization law which is being essentially promoted by Hakim and the Badr Organization. The sense I have is that gradually there is a situation developing where the Shiia are more and more claiming the South as their own. Frankly, if you put yourself in their position and if you look around Iraq, the most successful part of the country is the Kurdish area with their own military, their own militia, prosperous economically, they have oil. I think the Shiia community senses if they wait long enough, they can have that also, but it creates huge consequences for the United States. You have two areas which have some economic viability because of oil, but you have the center which is the political and cultural and historical capital of the country which doesn't have an economic self-sufficiency. It is a place where there is violence and a place that, if we don't respond appropriately, could be a spawning ground for instability both within the country and regionally.

Well, that is kind of a sense of where I think we are at the moment. Let me move on because the diagnosis is pretty good in Washington; it is the prescriptions that are

very difficult to do.

Yesterday, the President said we were winning in response to a question. I would say based on my observations that we have lost the initiative militarily and in terms of reconstruction and these efforts and that if we don't get the initiative back within the next several months, then our position becomes increasingly untenable there. So we are not winning, but I don't think we have lost. We should clearly recognize that the initiative is no longer with us, I think, in a military sense and also in terms of the panoply of counterinsurgency activities you must pursue, economic reconstruction, getting support of the people, and building the identity and legitimacy of the Iraqi Government.

The President also likes to talk about that we are refining our tactics. Well, I have great faith in the military commanders, and I understand that tactical considerations are usually the job of military commanders in the field. They do a pretty good job. It is the strategic issues that we have to get right, and that is at the national command authority, the President and Secretary of Defense. Those things, I think, have to focus on insuring that appropriate political decisions are made by the Iraqi Government. I think the President has to do much more and be blunter to get those decisions made. I think we have to be very careful and try to structure a set of decisions that are within the capacity and capability of the Iraqi Government. To insist upon something that can't be done is to be defeated before you start.

There are a series of initiatives that I think we have to pursue. The first -- one that obviously is on the top of most people's list -- is reining in the militias. They are becoming a source of great instability there. I won't be the first to say easier said than done, but it has to be done and there has to be real success to do that, a very difficult challenge.

When you see the contradictory behavior where Iraqi security forces with American assistance go in and seize someone who is a key leader in the Mahdi Army and the next day he is released essentially by the Prime Minister's order, that undercuts, I think, any coherent attempt to bring the militias under control. That, I think, is a major challenge.

The second is there has to be real reconciliation. We talked to our commanders in the field in Iraq, and they were all genuinely surprised by the last press conference about two weeks ago, just when I was there in the first part of October where the Prime Minister announced another committee or commission to do reconciliation. It took us all by surprise, all of the Americans there. These commissions and these press releases, I don't think are as effective as tangible steps. What I would suggest, at least for the purposes of the debate, is that we ramp up the provincial election process in Iraq which could take place, I hope, in the short run. It will allow, particularly in areas with strong Sunni communities, for Sunnis to stand for election, be elected, and participate actually in governance. I think that might be a possibility. Again, I think we have to be very careful about doing things that are feasible but also represent forward motion to recapture this initiative.

The Iraqis also have to begin to spend their own money. We have put in anywhere from \$30 billion to \$60 billion -- the estimate vary -- in reconstruction. Not much of it has reached the people in terms of tangible, palpable results that they understand as a result of this new government and our help. The Iraqis, I was told by our commanders, have about \$13 million. If we are at the point of seeing this thing slip away, certainly that is the point at which you want to begin to spend all you have to deliver the services to reinvigorate the economy, do all you can to give the people of Iraq the sense that their government is actually

working for them.

I think also that we have to recognize this is a regional crisis as well as a crisis of one country and that we have to begin to think consciously about how we bring in the

regional neighbors in a discussion to help stabilize the situation.

One of the other facts -- this is surprising -- is I think we have to insist that the

Iraqi Government, this government, shares more intelligence with us. I was particularly

concerned with comments that were made that their intelligence operations are not sharing all

they know about what is going on. At the heart of any counter-insurgency is intelligence to try

to stay one step ahead of the insurgents. We need to insist that we get better intelligence

cooperation from the Iraqis.

As I said before, we also have to think about our commitment. Much

discussion recently has centered on the number of troops. I think it is easy sometimes to say,

well, the solution is simple -- more troops -- but I think we have to recognize that if the Iraqi

Government doesn't make some basic political decisions, if we cannot ask them to commit

their resources, if we cannot get international commitments for additional resources, and we

cannot deliver these resources in a more effective way, then sending more troops will buy us

some more time but it will not be decisive. If we can get the political right, if we can get the

reconstruction issues correct, and if our commanders on the ground see that and sense that in

the short term -- again, this has to be measured not just in number of troops but in time -- we

can go ahead and at least consider a planned increase force structure. But right now, until we

get the politics right, I don't think that is the easy silver bullet for this problem.

One other point before I just conclude and that is, again, when you look at what

we must do as an Administration, there is, I think, a disconnect between what the President is

talking about and what we are actually doing in terms of resources. If this is the call of the

generation, then why don't we have more robust provisional reconstruction teams on the

ground in Iraq, fully staffed with experts from all of our different departments?

If this is the call of the generation, why did the Office of Management and

Budget yesterday, I am told, turn down the Army's request for an additional \$12 plus billion

dollars to reset their equipment?

If this is the call of the generation, why haven't we figured out a more effective

way to deliver the reconstruction dollars that are so essential to complement our military

strategy?

Again, I think we are at a critical juncture. I think the key decisions are

political ones which the Iraqi Government must make. The task today is to re-seize the

initiative and then hope that will be able to be built upon to ultimately prevail.

I would be very happy and look forward to taking your questions.

Thank you very much.

(Applause.)

AMB. INDYK: Thanks very much, Senator Reed. That was a really fascinating assessment

of the situation and interesting prescription. I don't know whether you realized it, but you

actually had, as I was listening to you, five recommendations that were for re-seizing the

initiative that all began R, the Five Rs.

SEN. REED: Well, you can manage my next campaign, Martin.

AMB. INDYK: Reining in the militias, real reconciliation, real reconstruction, regional

strategy, and resources; listening to you say basically that there is three months, in essence, to

get all of this right, I wonder whether, in fact, it is not too late, that all of these things have

been necessary for several years now; none of them have actually kicked in. Number one, to

imagine that it could be done, all of these things could be done now in such a short time period

and number two, to imagine that they would be done effectively when there is no track record

to indicate that, wouldn't it be better to spend what time there is available -- you seem to think

there is some breathing space here -- to actually change strategy, not change tactics?

In that regard, the question arises, since your analysis looks at a trend towards

regionalization within Iraq or federalization, isn't that a better way to go? Isn't better to try to

get ahead of this curve now with a shift in strategy?

SEN. REED: Well, I think that the regionalization issue has been proposed by several

colleagues. I think one point is there is a difference between having a deliberate policy of the

United States to create regions than to recognize it might be happening and, as you suggest, do

things that will either accommodate it or make sure that when it happens, that it happens in a

way that is not detrimental to the United States. I think also at this juncture, we have to think

carefully about what are the consequences of regionalization because it looks like it may

happen, whether it is preferable or not.

In my first cut-through, I have been thinking that the southern area of Iraq will probably

have reasonably close ties to Iran which would enhance, at least initially, the strategic position

of the Iranians at a time when we are trying to successfully, we hope, confront them on nuclear

issues, et cetera, and that is a consequence in this whole equation that has to be considered. In

the northern area, the Kurds, I think, have been very adept at making their ambitions at least

palatable to their neighbors, the Turks principally. If they continue to do that, that might be a

successful transition in the North.

The center is the problematic piece. There, you have got a city, Baghdad, which is

Kurdish, Shiia, and Sunni. There is, as I suggested, no obvious economic support as there is in

the North and South and there, you have in the West, in Al-Anbar Province, the actual

international terrorists. The number is probably in the thousands if not the tens of thousands,

but they are actually there and we have a role to take them out.

I think we still, I hope -- maybe this is a hope borne of a youth spent in the military --

that there is a chance to if we do all these things. But I think your question is well taken, that

is, we have taken two and a half years which we squandered and it is hard to do these things,

particularly hard when the resources don't seem to be forthcoming from us.

My final point on this question; as I spoke to the military commanders in the field, they

were pretty candid about maybe not three months but six months. And so, I think again

whether it is going to happen because of Iraqi action or because we decide to encourage it, we

have to begin to think about what happens six months from now if the past repeats itself and

we don't take these steps. There, I think we are probably looking at some type of de facto

regionalization which has consequences that we have to manage.

AMB. INDYK: Let us go to the audience. I will ask you first of all please, when you

are called, to wait for the microphone and to identify yourself to the Senator. I will take the

first one over here.

QUESTIONER: Thanks. My name is Jason Davidson of the University of Mary

Washington.

I have a question, Senator Reed, about the comment that you made about the disconnect at the end of your formal remarks. President Bush, beginning in the fall of 2003, made a number of statements to the effect of we will do whatever it takes to achieve security and stability in Iraq. You seem to be implying either he was bluffing or he was less than sincere, and I wondered if you would expand on that and furthermore, if you would discuss whether perhaps some of his soaring rhetoric might be responsible for the lack of urgency that we see by the Iraqi Authorities. In other words, they are thinking well, if the United States is going to do whatever it takes to provide security and stability in Iraq, maybe we don't need to step up to the plate.

Thank you.

SEN. REED: With respect to your first point, I have been going out there, and I think I see people in this audience who were also were out there over the last three years. There never seemed to be the complement to the military actions, the civilian complement, in terms of organizing personnel and committing personnel. This concept of provisional reconstruction teams was talked about 18 months or a year or more ago. They are still not off the ground. If the President's rhetoric is we will do everything and we will do it right away because we have to win this struggle, that has never been, I think, demonstrated in terms of non-military activities. That is, I think, as you talk to commanders, that is the one issue they consistently go back to. I was having a conversation with General Zilmer in Fallujah, and we talked about do they need more troops, et cetera. He finally came to the point, saying: Sir, I tell you what; if we don't get the civilian side of this, the reconstruction efforts done, the mentoring, all of these

things, you can give me another Marine regiment and we are not going to be decisive. We are

not going to prevail.

When I was there in Fallujah on several occasions, there was one foreign service officer

there with the Marines, an absolutely talented, dedicated, courageous individual. But if this is

the struggle for the generation, we need a lot more people out there.

Now, with respect to the rhetoric, yes, I think the rhetoric might have led the Iraqis to

feel that they have any number of years to accomplish what they have to accomplish. I think,

again, we are fairly sophisticated here in the United States and understand that the President's

speeches -- it is not just President Bush, any President -- have multiple audiences, some over

there and some here. I think speaking to the American people, the President was trying to say

we are fine, don't worry, et cetera. But that message, I think, might have translated to the

Iraqis as don't worry, we have got any number of months before we have to take effective

action. Now, we have to change that message.

QUESTIONER: Senator, Dave Wood for the Baltimore Sun.

In two weeks or so, we may have a change in parties on Capitol Hill in one or both

houses, and I am wondering. I sense a certain amount of frustration on your part about what

you have been able to do. If the Democrats take over the House, for example, and perhaps the

Senate, what kinds of new activist positions could Congress take? Could it achieve some of

the things that you have recommended?

In the end, if it can't and the situation continues to slide, do you see a possibility that

Congress would vote to withdraw funds or withhold funds from the war?

SEN. REED: First, I think it is very important to approach, as best we can, this issue on

a bipartisan basis because I think too much of it has been made the fodder of political

campaigns. So I would hope that the first approach would be to see if we could find some type

of bipartisan formula.

I can't speak as convincingly for the House, but in terms of the Senate, we have very

good discussions around the Levin-Leahy proposal for a policy of redeployment without

timetables or deadlines but clearly indicating to the Iraqis that it will happen and also the

complementary, putting money into reconstruction effectively, supporting our military, making

sure they have the funds for reset. So I hope that is where we would begin, and I hope we

would also do it in a way in which we could encourage bipartisan participation. My sense and

I think Senator Levin's also is that there are a number of our colleagues in the Senate on the

Republican side who would be interested in expanding or discussing along the lines of the

proposal that we made months ago. That is number one.

Remind me of your second question.

QUESTIONER: The second part was whether you saw any possibility that if Congress

can't take a more activist role in achieving some of the things, then withdrawing funds.

SEN. REED: I don't conceive of that as a real possibility at the moment. We all

recognize that we have 140,000 troops on the ground, doing an extraordinary job in a very,

very difficult circumstance. I think we have to support them not only in terms of just dollars

but in the sense to send a message that we respect what they are doing, and we think, I think at

least, that we should start thinking about changing the policy but not withholding support for

forces in the field.

QUESTIONER: Senator, Scott Harold, Brookings.

I am just wondering if your three- to six-month timeframe does not pan out, is it possible

that a silver lining of a downtrend in Iraq might be that we would have more resources to

devote to Afghanistan where the people who actually attacked us on 9/11 are potentially still

resident?

SEN. REED: Let me use that as an opportunity to talk about Afghanistan. I was there

also on the last trip. Now, NATO is in the lead. There is resurgent Taliban activity. We are

reading about that. I think I share your insight that we, I think, appropriately responded to the

9/11 attacks by invading Afghanistan but then we sort of shifted our attention away before we

had settled the problem. I agree with that.

I think more resources could be used, but again in talking to commanders on the field, it

is not so much military resources; it is the kind of appropriate reconstruction efforts that you

need and capacity-building that you need, and in that case, particularly, anti-drug efforts. I

think that should be done.

The other issue when it comes to Afghanistan is the regional cooperation. As you know,

just a few weeks ago, the Government of Pakistan entered into an agreement with tribal leaders

in North Waziristan which many people are suspicious and suggest is a pass for Al-Qaeda

elements that are still there to continue operate. So I think we need a stronger participation by

the Government of Pakistan in sealing the border, together with increased efforts in

Afghanistan, not solely militarily but international aid assistance and capacity-building there.

The point about will that free up resources, we are in a really desperate budget situation

when it comes to the Armed Forces, principally driven by the need for the Army for an

estimated \$12 billion a year to just fix the equipment and the Marine Corps also, to fix the

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equipment they have used in Afghanistan and Iraq. As I said yesterday, apparently, they were

turned down by the Administration for that \$12 billion which is going to force Congress to

start looking within the budget. Do we fund that? Do we take money out of modernization

programs?

With the size of the Defense budget even, this is going to be very difficult. So I don't

see a dividend if the Iraqi situation is resolved one way or the other.

QUESTIONER: My name is Tim Downs. I have no relevant professional associations.

About three weeks ago, I attended a lunch at Nathan's in Georgetown at which General

Trainor spoke. He pointed out that in his opinion what was occurring in Iraq right now was a

fight among various factions over the issue of when the dust settles, who will control what

politically. He then went on to say that in his opinion the presence or lack thereof of the U.S.

was incidental to that outcome. I had never thought of it in that context. I wonder if you could

comment on that point that he made.

AMB. INDYK: If I can take it just one step further and say that Trainor made have said

incidental. Of course, we had the British Commander of Forces saying that our presence,

British presence, was actually counter-productive.

SEN. REED: I think he is right when it comes to this. This is a struggle for power in the

new Iraq. Who is going to run the new Iraq?

There is a struggle within the Shiia who are now the politically dominant factors, and

they are going to struggle among themselves to see who comes out on top. Then the Sunnis are

in a situation where the perception is that they are afraid of being not just politically

marginalized but significantly suppressed. So this struggle is going on. I agree with him in the

sense that I think the struggle would exist without the presence of American troops.

I think the issue is, given the fact that we are there, can we help stabilize the situation so

that this political struggle is carried out by political means and not violence in the streets and

that we can achieve some type of stability. I think the jury is still out on that. As I suggested

in my remarks, most of the commanders in the field feel that there is a very short period of

time where they can affect positively the situation. At the end of -- it might be three months,

six months, nine months -- we could come to the conclusion that we are not only incidental to

this political struggle but, in consequence, we have no real leverage or influence. Then we

have to ask ourselves some serious questions about do we maintain our presence there and how

do we do that.

Now, there is one area that I think we cannot ignore or leave, and that is there still is a

group of international terrorists, a small group, and they still should be subject to our ability to

preempt them, to take them out before they organize either regional or internal operations.

That is still an interest that we have in the country. The question there is I think that is

probably satisfied by special operations forces and not lots of maneuvered brigades.

AMB. INDYK: Let us take some questions at the back. Yes, please?

QUESTIONER: Thank you; Gary Brown with USAID.

What does matching the military commitment on the civilian side look like in terms of

dollars in Afghanistan or Iraq?

SEN. REED: It is a big number in terms of what we want to do, I think, and necessarily,

it shouldn't be all of America's dollars. That is why I was surprised when I learned that the

Iraqis, according to military sources there, have several billions of dollars of their money

which should be, I think, employed in these types of operations in terms of civic improvement,

reconstruction, et cetera. So I think you are talking about a significant amount of money to

jumpstart some of these projects, and we have never seen that. I mean if you look at the State

Department budget, AID budget -- I don't have to tell you -- it is not as robust as the DOD

budget. What I also found as I traveled around is the Department of Defense is trying to shift

as much responsibility and fiscal responsibility to other agencies as they can because they are

in a tough budget situation themselves.

QUESTIONER: Bill McManus from the *Los Angeles Times*.

Senator, you said that if we get some political progress in Iraq over the next months, we

could go ahead and at least consider a planned increase in force structure there. Do you expect

General Casey and other commanders to request such an increase after Election Day?

Would you require that such an increase await clear political progress in Iraq?

Are you, in effect, suggesting that we use the prospect of such an increase as a positive

incentive to the Maliki Government to go ahead with political reforms?

SEN. REED: I think it is going to be very difficult to get these political reforms, but I

think it is essential to try. Also, a point that I want to stress is I think that all of our temporary

increases of military forces should be done in the context of a clear policy of redeployment

within a period of time. I don't want to leave the impression or suggestion that we simply

increase forces. What I am holding out is the possibility that General Casey can justify a

request for additional forces, but that justification, I think, has to be based on more than just

security considerations. It has to be justified on a more comprehensive and measurable

progress in terms of political reforms, commitments by the Iraqi Government to do these

things. I wouldn't use this troop numbers as kind of like negotiating. I would make the case

that you have to do this in your own interest immediately, and if it is done and then after it is

done, our military commanders think a temporary increase in troop numbers would be

appropriate, then we could do it.

I don't know what General Casey is going to ask in terms of after the election.

QUESTIONER: Pete Schoettle from Brookings.

This follows up your point about the weakness of the U.S. civilian effort in the area and

the AID question. My question is on the Senate's views of the institutional capability of the

U.S. Government. We don't have an agency for reconstruction and rebuilding. The Pentagon

has wanted to shift some of that to the State Department. They have a very small office

dealing with that. AID is small weak. Justice is weak. Is something missing in the U.S.

Government's capabilities?

What are the Senate's views of handling these civilian requirements?

SEN. REED: I think there is something definitely missing in our response to these

issues. It might be institutional in terms of there is no department for this. Certainly, it is

budgetary in terms of there don't seem to be the funding streams, and there is not the automatic

claim on funds that DOD has when you start talking about reconstruction efforts. I think the

Administration pursuing a model based upon private contractors has proved very expensive

and very ineffective. And so, I think we have to begin to rethink this whole approach.

This should not be a surprise to the Administration. Our experience in the Balkans

suggested that this is a difficult set of issues. I can recall going out there many times in terms

of police where one of the most frustrating aspects was the international police training, to get

the training, to bring the police up, and that was a much more benign environment than Iraq.

Institutionally, I don't think we are in a good position to deal with this issue, and there hasn't

been the kind of flexibility, innovation, really the demands by the White House to pitch in. I

think we are paying for it now in Iraq and elsewhere.

One of the approaches to this problem a few years ago was the Administration, at least

the candidate, Governor Bush then, saying we are not going to do nation-building, so we don't

need any of this stuff. Now, we find ourselves in the most complicated nation-building we

have done in a very long period of time, and we don't have any institutional support or the

budgetary support for it. Yet, I don't think the Administration has thought how to do that.

QUESTIONER: Hi, my name is Brian Berry (phonetic) from EuroPolitics Magazine.

It is just a follow-on from that question. If you think that the United States has not got

the capacity on the civilian side, do you think it would be helpful for any other kind of

international force to be there at this point in time or would that just get too messy of a

situation?

Do you think that there is any desire or will on the international community to help out

on the civilian side in Iraq?

SEN. REED: I think an international presence would be very, very useful. One of the

perceptions I have is that the attack on DeMillo in the UN strategically was a real setback to

our efforts in Iraq, and it was a very ruthless but I think strategically critical action by the

insurgents. It forced the UN out at a time where their presence could have been very helpful to

us. I think to get their presence or the presence of any other international group there would

also be very helpful.

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My sense, though, is that there are two things. One is in the world opinion of the

countries that would have to supply these resources, we slipped significantly. There are real

concerns around the globe about our foreign policy and our long-term goals. Second, I think

what has happened to our major partners is that the operations in Afghanistan have given

NATO and other countries a good reason to say we are giving in Afghanistan; we can't give

more in Iraq. But I think in response to your question, whether more international involvement

would be good, I think it would be good.

AMB. INDYK: Now, that we are talking about the international involvement, you had

said in your opening remarks that we should bring in the regional neighbors to stabilize the

situation but clearly the regional neighbors that are doing the most to destabilize the situation

are Iran and Syria. What incentive would they have now to cooperate in stabilizing when they

have the opportunity to strike a strategic blow against the United States? I am not sure that I

see how that could actually be part of a new strategic approach.

SEN. REED: I think we are at the point where we try to leave no stone unturned. I think

it would help, perhaps not in the region but it would help outside the region, the greater

international forum, that we are actually trying to pursue some type of regional approach, that

we recognize that this is not something that can be settled exclusively within the confines of

Iraq.

But your point is very well taken, that is, I think the Iranians have been able to very

subtly or not so subtly exert their presence within Southern Iraq particularly and within the

government. There are personalities that have ties, strong ties, personal as well as political, to

Tehran. I think what you are seeing is a situation where likewise the Syrians have been

somewhat cooperative, somewhat uncooperative, but they sense that their strategic position is

improved as long as Iraq stays at a low boil, not boiling over but a low boil.

I think we have reached a point, as I said initially, where efforts, diplomatic efforts

should be pursued with the understanding that they might not be successful but that we are at a

perilous moment where we should sincerely try these things.

One of the unwitting consequences of this whole operation in Iraq has been the enhanced

strategic position of Iran. That, I think, over the next decade will be one of the least fortunate

aspects of this whole operation.

AMB. INDYK: I don't want to monopolize as we have time for a couple more

questions. But just to follow-up this point and the conversation, if you follow the logic of that,

what you just said, then just on the theoretical level, we should be backing the Sunnis in Iran,

not the Shiias, because if the problem now is that Iran is dominant as a result of our taking out

Saddam Hussein and we need to counter Iranian dominance, then aren't we actually facilitating

Iranian dominance by trying to make the Shiia-controlled government more effective?

SEN. REED: I think that would have been an excellent question to ask about three years

ago. I am not being absolutely facetious because when I was trying to think through this in

October of 2002, one of the concerns was in terms of regional stability, regional politics. What

is the most significant threat? In my view, it is clear that even then and now, the Iranians pose

a more significant threat to regional and international stability than Iraq did at that time. In a

world of limited resources, where are you going to spend your resources? That debate ended

unsuccessfully from my point of view, and now we are in a very difficult predicament.

Now, the question you raise is a very, very serious one. My sense throughout,

particularly from talking to the commanders in the field over the last three years since the beginning of the operation, was their initial sense was that they would have opposition from the Sunni community as former Baathists who were trying to reassert themselves. They sensed that, but they really felt that the stability of the country would be lost if the Shiia community left the reservation. I think there were conscious policies to make sure that the Shiias were not provoked. You saw that when they backed off from Sadr and Najaf and other places. They did that consciously.

I think this all comes back down to a problem that has been fundamental to the Administration's conduct. There hasn't been a really good strategy here for longer term objectives, recognizing the most dangerous threats and dealing with them in a coherent way. We find ourselves now in the situation you posited which is an interesting one: My God, have we empowered people through the electoral process, whose interests and whose collaboration with the Iranians will make our job more difficult? That might be the case indeed.

One other point, and this is a general point again about the approach of the Administration. I think the Administration embraced the notion of democracy because everyone here in this room understands the power of democracy because it is in our genes. What they failed to recognize, and it goes back to many of the questions about the nation-building issue, is that you must have institutional capacity as well as elections. Elections will put people in power, but if there is no institutional capacity which is accepted by people, functions effectively, and is effectively a check on some of the wilder political aspirations of people, then you have outcomes which are not the best. We have seen that, I think, not just in Iraq but in other places.

AMB. INDYK: Lebanon?

SEN. REED: Yes.

AMB. INDYK: The Palestinian arena and so on.

Gary Mitchell, this is going to have to be the last question.

QUESTIONER: Senator, I am Gary Mitchell from the Mitchell Report.

As I have been listening to this conversation and lots like this in the last few weeks, I am

reminded that there has really only been one American that has had this right from the start,

and I just wanted to be sure we acknowledge him today. That is the Hans Morgenthau of the

radio world, Don Imus, who for years, has been saying this isn't ever going to work and what

we need to do is give it back to Saddam and tell him we are sorry about the boys and that we

are going to leave some troops in the country, so that if he decides to get up to his old tricks,

we will nail him. As always, Imus sort of has it right.

Here is my question: The question is it seems to me that we could characterize Iraq in a

number of ways, but one way would be to say this has been stalemate with a southern

trajectory since the beginning. Frankly, I don't see much on the horizon that suggests it is

going to change which leads me to question of whether or not there is the possibility for what

we might call a transforming transaction, something that happens that changes the equation.

The gentleman from the *Baltimore Sun* and maybe one other questioner have asked about

whether the election of 2006 was like 1994 or 1980 or 1974, that might be an example of a

transforming transaction.

The one thing we haven't talked about today -- I want to ask you whether you think it

has the capacity to be a transforming transaction -- is the work of the Iraq Study Group and

whether or not this presents. Particularly, if there is a change of some significance in the

Congress, does this present us with an opportunity to change the dialogue? I don't just mean

get away from stay the course and get to weave and bob or whatever we are doing.

SEN. REED: Well, I think the Iraq Study Group is an important initiative. I have had

the chance to speak with them. They came up to Capitol Hill, and they had some meetings

with some individual Senators. I respect both Secretary Baker and Mr. Hamilton and the

whole group there. This would be an opportunity. The question is: Will the President seize

the opportunity?

That, I think, turns on his own beliefs, his own views, his own ability to be flexible and

to look at a different approach. I think it turns also on some of the personalities in his

Administration. I find it, frankly, hard to conceive of changing the strategy fundamentally as

long as Secretary Rumsfield is the Secretary of Defense and the Vice President is the Vice

President, but it is possible. I think it is necessary. So the opportunity will be there. The

opportunity will be there simply because you have distinguished Americans coming together

after careful consideration and giving their best efforts. That is a chance to rethink a lot of

proposals. They might not have the magic solution or one that is even appreciated by the

President, but it will give him the opportunity, the justification to go out and make changes.

On the question then, I don't know whether he will seize the opportunity or whether he

will see it as a nice effort. We appreciate it. Thank you very much but no thanks.

I think it is significant also to note that this study, this Iraq Study Group was really a

Congressional invention more than a Presidential one. I mean this is not the situation where

even Lyndon Johnson in the sixties got the wise men and Clark Clifford around the table and

said: Listen, tell me what you think. Then Clifford came back with some significant

recommendations, and there was change.

I believe it will be an opportunity, and the question is will be seized.

AMB. INDYK: Senator Reed, thank you. I really appreciate it.

SEN. REED: Thank you, Martin.

[Applause.]

AMB. INDYK: What I wanted to say is we really appreciate the seriousness with which

you have approached the subject, not only today but over the entire time that you have been

involved, and the extent to which you have been prepared to invest in finding out what is

actually going on, on the ground and sharing that with us is much appreciated. Thank you very

much.

SEN. REED: Thank you, Ambassador.

[Applause.]

[Whereupon, the event was concluded.]