THE BROOKINGS INSTITUTION

IRAQ, AFGHANISTAN, AND PAKISTAN:

U.S. FOREIGN POLICY CHALLENGES THIS FALL AND BEYOND

Washington, D.C.

Wednesday, August 6, 2008

Introduction and Moderator:

MICHAEL O'HANLON
Senior Fellow, The Brookings Institution

Panelists:

KENNETH POLLACK
Senior Fellow, Saban Center for Middle East Policy
The Brookings Institution

BRUCE RIEDEL
Senior Fellow, Saban Center for Middle East Policy
The Brookings Institution

JEREMY SHAPIRO
Fellow and Director of Research
Center on the United States and Europe
The Brookings Institution

* * * * *

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

P R O C E E D I N G S

MR. O'HANLON: Good morning everyone. Thank you for coming today to our event on Iraq, Afghanistan, and Pakistan. I'm Mike O'Hanlon at Brookings. Ken Pollack, Jeremy Shapiro, and Bruce Riedel will be speaking as well. We're delighted to have you here. I think the linkages between these three countries are clear enough that I won't bother to explain the logic of linking them together. But we're delighted that you seem to share our interest in the tradeoffs between these different countries and the linkages as we prepare for a presidential election here and then a new phase in some of these operations and efforts.

Before I turn things over to Ken Pollack -- and we'll go down in order with each panelist speaking for about ten minutes and then having a discussion, first amongst ourselves and then with you and your questions and comments. I'd like to -- on behalf of this panel and all of us at Brookings -- pay a tribute to Peter Rodman who, as you know, died Saturday of complications from leukemia. He had been at Brookings about a year and a half. He had worked in government since the late 1960s, extraordinarily precocious, extraordinarily distinguished career. Even in the year and a half he had been at Brookings, he finished a book, which will be coming out next year, on presidential leadership in national security matters. We are all very sad here at Brookings this week as I can

imagine those of you who knew Peter, knew of his career, would feel as well. I just wanted to say a couple of brief words of what he meant, and then also conclude with a very brief citation from what Henry Kissinger, who was really his mentor, wrote about him in the *Washington Post* yesterday, and then also I'm going to quote one paragraph of something that Peter, himself, wrote in our Opportunity 08 project that he did so much for. And the second edition of the book for that we will dedicate to his memory and are honored to do so.

But two things that always distinguished Peter in my mind as a colleague here at Brookings -- I'll leave aside the great government service that others can speak about with much more firsthand knowledge than I -- one, extraordinarily pithy, a very easy person to understand because he was so clear in this thinking and so effective in his presentation. It made him a formidable force on many panels like this throughout the years. I can only imagine how effective it made him in government, but was extraordinarily to the point. Not in a blunt way, but in an intellectually, very cogent and clear way. And secondly, related to that, while he as very forceful in his ideas, he was also very collegial in his manner and as Kissinger wrote -- and I'll quote again from his letter to the *Post* in just a second -- Peter always put his commitment to his ideals and to the objectives that he was trying to advance for the United States and its allies and others around the world above his own personal ego. You did not feel ego coming out of this man. You felt deep devotion and

commitment, and it didn't make him any less easy to debate if you were on the other side of a question; he was extraordinarily effective. But there was always a sense of how he was really appealing to greater interests than his own or than his own ambition. Kissinger put it very well as I mentioned. He said -- he's writing about, sort of, a person coming of age after the Greatest Generation. Peter was 64 when he died, and he studied under Kissinger in the early-to-mid '60s at Harvard, and then joined Kissinger in the late '60s in government and served the Republican administrations thereafter through the Bush Administration. Kissinger wrote "Aware of the doubts all around him, his lodestar remained service for the nation he loved, for values he considered universal, and on behalf of causes that sustain and enlarge the scope of freedom in the world." And I'll finish up here with a quote from Peter's own essay on Iran and challenges in the broader Middle East that again he wrote for the Opportunity 08 project that I was honored to be able to lead with him, being such a loyal part of that Project and such an important part. And this is in regard to long-term strategy towards Iran, and he writes "We know from the Soviet case that revolutionary ideologies can be defeated. They can be discredited by failure. The renewed militancy of Iran's clerical rulers in recent years may mask a deepening uncertainty about whether their people support them. Those who want change, who were many in number a few years ago, may have been cowed into silence, but they have not gone away. Thus in the longer run we deal from strength

even if we are scrambling in the short run for an effective international counterstrategy." So that's the kind of writing, the kind of clear and pithy thinking and writing that we heard from Peter so much here, and that I know you did as well if you were able to interact with him in the last year and a half or at any other point in his career. So thank you for allowing me to make that special tribute, and now we will proceed with -- oh, by the way, I should say one last thing, which is there is a condolence book in the lobby of the building for anyone who would like to sign it either today or I believe anytime this week.

So without further ado, and in the spirit of the issues that Peter cared so deeply about and wrote about in this essay I just cited from, I will now turn it over to Ken again speaking primarily about Iraq, Jeremy on Afghanistan, Bruce on Pakistan, but of course the real goal here is to explore linkages as much as focus on the individual countries, which we'll then proceed to do in the conversation. Ken, over to you --

MR. POLLACK: Thank you, Mike, and thank all of you for coming out. I'm glad to see so many people were willing to cancel their summer vacations to come to Brookings one last time and hear what we have to say on these issues. As Mike points out, it's rather humbling to hold this session in the wake of Peter's death. Peter was both a remarkable person and a terrific colleague here. But as Mike has pointed out, I think that Peter himself would have wanted Brookings to carry on

and would have expected that we would continue to do so because it was in the best interests of the nation that he so loved.

So with that in mind, let me try to start the conversation. And let me start with an observation that I find myself very much betwixt and between and have been throughout the course of the debate over Iraq since the invasion. For the first three years, three and a half years, perhaps after the invasion, I found myself in the position of constantly saying “It’s actually worse than you think it is in Iraq.” And then for some period of time, about a year or year and a half or so, I found myself in the position of saying “No, no, it’s now actually better than you think it is.” And now I find myself in the position of saying “Well, it’s actually better than some people think it is and worse than other people think it is.”

You know sometimes you read the newspapers, you pick them up, and there is a kind of a creeping triumphalism from the far right, which I find very disconcerting. The war in Iraq is not won. There is still a tremendous amount to be done. When you go to visit Iraq -- I was talking to someone yesterday -- it’s not even as good as Egypt, it’s not even as good as Yemen. It is not a vacation spot. You wouldn’t bring the kids there. There is still a lot of damage. There are still many troubles in Iraq, and there is still a lot that needs to be done before Iraq is stable enough so that the Iraqis themselves have a political security and economic system that is able to sustain that stability over the course of time.

By the same token, all is not lost in Iraq. There is tremendous progress. The situation has evolved enormously over the past year and a half, and things are in much better shape than they were in the dark days of 2006. And I think that one of the most difficult things is for Americans to try to come to grips with what has gotten better and what still remains to be improved and what the risks still are out there. As I think many of you are aware, Mike, myself, our colleague Steve Biddle, after our last trip to Iraq, we wrote a piece in the *New York Times* that came out yesterday. And we've also written a longer piece for *Foreign Affairs*, which is now available, and we're going to do a longer piece still for the Saban Center Council on Foreign Relations project on a new American policy towards the Middle East, which will come out in December. One of the things that we try to talk about in that piece, one of the ways that we've tried to help people to understand what's going on in Iraq, is we've talked about things in terms of there being first-order, second-order, third-order, fourth-order problems in Iraq.

Iraq is a very complicated society. Iraq was a deeply troubled society even before we invaded and even before all of the catastrophic mistakes of the Bush Administration in its first three years after the invasion of Iraq. But those catastrophic mistakes created problems that didn't exist beforehand, but led to the ethno-sectarian civil war that created the insurgency or allowed the insurgency to flourish that created a failed state in Iraq. What the surge has principally done -- and

please understand that by using the term “surge,” I’m actually talking about the entire panoply of actions and policies that were pursued over the last year and a half, so that is both the increase in troops, it is even more importantly the change in strategy and tactics, it also includes the Anbar Awakening, which was both an Iraqi development and an American-encouraged development, other developments among the Shiite and Sunni communities, the Battle of Baghdad, everything else I’m simply wrapping that up in the grab-bag term of the “surge.” What the surge did was effectively deal with those first-order problems, with the ethno-sectarian civil war, with the insurgency, with the failed state. Those issues are not gone, but they are well on their way toward being solved. The problem is that they aren’t solved yet, and it is still going to take some time to deal with the remnants of those problems, and it’s important to understand that so much of that is purely psychological. So none of us can stand up here and give you a firm end-date as to when these problems are going to be put to bed. They’re very much like Justice Stewart’s famous definition of obscenity, which is “You know it when you see it.” Okay? When do people really trust one another? When do people really trust their government? You can see it building in Iraq, but you can’t be certain, at least not now that it’s strong enough to hold without the glue of the American presence which has started to allow it to solidify. That’s one of the sets of issues that’s out there.

The other set of issues out there is, as I said, there are now second-, third-, fourth-order problems, which we and the Iraqis are confronting. Now, it is not the case that the United States needs to fix every single one of these third-, fourth-, even fifth-order problems out there. But if we're going to leave Iraq in a situation where it is both stable and sustainable in its own stability, then we're going to deal at least with the second-order problems and probably help them with the third and fourth. And the problem with the second-order problems is that while they are not as lethal, not as dangerous, as those first-order problems of the civil war, the insurgency, the failed state, they are still very lethal. They still kill people in Iraq today, and what's more, they have the potential to reignite those first-order problems.

I'm not going to get into too much of a definition of the second-order problems because my time up here is short. Mike wants to leave maximum time for questions, and I think that that makes sense. But let me just give you a couple of examples to understand what we mean when we talk about these second-order problems. Let's start this way: One of the first-problems was the Sunni insurgency. Well, one of the solutions that we came up with was the Sons of Iraq, and the Sons of Iraq program was very important in eliminating the Sunni insurgency. But a second-order problem is we now have the Sons of Iraq, 100 thousand young, mostly Sunni, men who are very wary of the Shiite-dominated government -- remember, it's not just a Shiite-dominated government, it is

a government dominated by the Shiite militias who they do not think very kindly of at all. And that Shiite-dominated government has been very reluctant to incorporate the Sons of Iraq into the Iraqi Security Services, which is really what the Sons of Iraq want. They want to become part of the Army. They want to become part of the Security Services, and the Shiite in the government have mostly been resistant. That's something that's going to have to be mediated, and if that goes wrong, you can see the civil war reigniting. Give you another example: The militias in Iraq are themselves largely gone. It's rare that you actually go out into the streets and encounter the militias the way that you once did, say in 2005 or '06 or even 2007. But one of the most important ways that we dealt with that was by bringing some of the biggest militias -- the Badr Brigade, Fadila, into the Iraqi Security Forces. That was great, solved the first-order problem of the militias contributing to the civil war. Now the second-order problem, the Iraqi Security Forces now consist of large numbers of Badr and Fadila personnel and personnel from other militias -- from the Peshmerga -- as well. And there are still question marks out there as to exactly where their loyalties lie. These are all problems that have solutions, and the solutions are being pursued. But the solutions take time, and in the meantime, it is very important that that American military presence remain, that neutral force remain, so that people do not begin to become frightened once again. And it was that fear that drove the civil war and if that fear resurfaces, it could bring the civil war back. And in

general when we think about these second-order problems, one of the biggest ones lying out there is the fact that you've gone from -- what our friend Emma Sky has called -- a failed state to a fragile state. You now have an Iraqi political system that is beginning to stand up, but it is a very fragile, immature, political system. And one way to think about it -- I think about it from time to time -- is that the first-order problems that I talked about were really the problems of our own making. When we entered Iraq, those problems didn't exist. We created those problems. And what the surge did was kind of get us back to where we should have been in 2003, and left us now to confront the problems that we always would have confronted if we had gone in with the right number of troops, the right approach to security, the right approach to (Interruption)

So we spent four years, four thousand men killed, hundreds of billions of dollars to get us back to where we always should have been in 2003. Now that's a little bit of an exaggeration, we have made some progress in certain areas and there were some problems that we probably would have confronted even then.

But that's really what we're thinking about is that we now still have all of those problems of an immature political system which is ultimately subject to and vulnerable to all of the problems of other Arab political systems that we've seen over the course of time. The threat of coup d'état, especially now that you've got a very big, a very capable, sorry, much more capable military that is very confident in its own abilities

and it looks around and doesn't see other institutions of government that are nearly as capable or as effective as they are. That's been a recipe for coups all across the Arab world.

You could also easily see kind of a Vladimir Putin-style security state evolving in Iraq because of al-Maliki's popularity and his control over the security forces. You could see a kind of Yasser Arafat-style kleptocracy evolving. All of these vulnerabilities remain in the Iraqi political system and it is going to take time and it is going to take resources to deal with them effectively.

And unfortunately the U.S. role is critical there because if we leave too quickly and we allow these problems to fester they could reignite those first order problems. And that is why when Mike and Steve and I have been trying to ponder the situation and to think about how can the United States begin to draw down its commitments to Iraq? What we've been looking at in particular is what are the concrete steps in Iraq that should make it possible to move forward in this direction?

You've heard a lot of people talk about, well it needs to be conditions-based. Well we've been trying to focus on what those conditions are and what are the events that could make those conditions possible? We talk about a lot of different things and all these different pieces, but the one that I think looms largest for all of us and that we need to be focused on are the rounds of Iraqi elections that are going to come

up at the end of this year and at the end of next year.

These elections are critical. For those of you who have been here before, you will hear me say for the first time these Iraqi elections could actually make the situation better than it is today, not worse. I've never found myself saying that about previous Iraqi elections. But these have that potential, because the changes that have gone on in Iraq have broken Iraqi politics wide open in a way that I don't think has really been grasped on this side of the Atlantic.

Iraqis are desperate for change. They are looking for new political parties. There are all kinds of new developments going on inside of Iraq and Iraqis are looking to these elections to start moving them in a direction of a new politics. And the elections really do have the chance to bring that about. And if they do so, they will likely create a much more stable political process that ought to allow us the opportunity to start drawing down our forces, because the fears that the civil war, that the insurgency will be resurrected will be greatly diminished. That's the good news about the election.

The bad news is, of course, is that all the bad guys know that too and they are doing everything that they can to make sure that the elections don't deliver those results. The terrorists that are still out there are going to try to use violence to make people feel afraid, to vote out of fear rather than hope, and what's even worse is that all of the major militia parties who have dominated the government for that last three

years are doing everything that they can to buy votes, coerce votes, stuff ballot boxes, destroy ballot boxes, whatever they possibly can to make sure they don't lose big in these elections which is exactly what they're afraid will happen.

And again, that American presence, the coalition presence and it's also, you understand, a big U.N. presence is going to be necessary in the run up to these elections and in the elections themselves to make sure that the spoilers, the terrorists and the militias aren't able to steal these elections. If they're prevented from doing so, if there is even evolutionary change. And I think one of the things that was most interesting for Mike and I was how many Iraqis was simply saying, look we don't expect a complete transformation overnight. We just want to see that things are moving in the right direction.

If they get that I think we will have that stable basis to move forward. We will have crossed a very important threshold in Iraq and that will make possible the circumstances that should allow a very significant draw down in American forces from Iraq. If we don't? I don't know what the answer is going to be. You're going to have a lot of very angry and disillusioned Iraqis. And we don't know exactly where they're going to take that anger and that disillusionment. They might take it right back to the militias basically saying well, we hoped that we were going to get a different kind of politics but we're clearly not. So the best thing we can do is just throw in our lot with the different militias.

I would simply put it to you that the best answer from the perspective of the Iraqi people and of the people of the United States of America is to never find out the answer to that question.

MR. O'HANLON: Thanks Ken. Before I turn the baton over to Jeremy, quickly say that Ken's new book which covers this issue but much more the broader region is called *A Path Out of the Desert* and it's about grand strategy towards the Middle East.

Bruce Riedel will have a book out next month and it's called *The Search for Al Qaeda* and that's coming out with Brookings Press. And Jeremy is starting an Afghanistan Index among other projects here at Brookings and thinking quite a bit about this country in general. So I'm delighted to have you speak about that next.

MR. SHAPIRO: Thanks. I also hope to write a book someday.

Thanks for having me. I'm glad that you guys could all come out on an August day. We're quite fascinated here at Brookings to notice just how much interest there has been in these subjects even in the summer in Washington, which is usually quite dead which I think speaks to the salience of the issues and I suppose the election campaign.

As I understand it really, the linkage between the issues that we're talking about at least between Iraq and Afghanistan is really more of a linkage in U.S. domestic politics than in fact of the issues on the ground, which actually aren't terribly linked. And the main linkage, I

think, comes through an issue that Ken was sort of getting at which is the scare U.S. resources.

When resources are devoted to one of these issues, they in essence are not devoted to the other. Particularly when it comes to U.S. troops, which seem to be the scarcest resource and are in very short supply. And to some degree this is the reason that Iraq and Afghanistan have been linked in domestic political debate recently. And part of this is because the most common recipe for Afghanistan is that we need to increase our troop presence there, the U.S. troop presence. This has been a recommendation recently of both Presidential candidates, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and I think even the President.

I'm going to, I think, try to call into question that conventional wisdom, largely because that's what we do here and it gives me something to talk about. My question is when I hear those proposal is just how would additional U.S. troops in Afghanistan help the situation? They can't really solve the security problems that we've seen so much recently. Certainly, with the increments of 10 or 20,000 troops that have been bandied about. Securing Afghanistan, whatever that means, with a troop presence by most estimates require somewhere between 300,000 and 600,000 troops and those are certainly not in the offing from the United States or the international community.

As a matter of fact, the military situation there is really

a stalemate. The Taliban and other anti-government forces can't stand up to international forces or to the Afghan National Army in a set piece battle and the foreign militaries can't prevent suicide bombings, Improvised Explosive Devices or raids into the countryside.

I would say most importantly the West really can't solve the most important problems in Afghanistan. They can at best provide breathing space for the Afghans to solve them. And there actually has been a lot of progress on a lot of issues in Afghanistan in terms of electricity and in terms of education, health care and even in the economy. But I think there are four key problems that remain in Afghanistan, which as many people have noted have gotten worse in the last couple of years.

The first, I think, is Pakistan which Bruce is going to talk about. Certainly the number one lesson of counterinsurgency is that you really can't defeat it as long as it has sanctuary. And Pakistan represents sanctuary for the Afghan insurgency and is a big reason for the military stalemate. The second problem is a weak Afghan government performance and corruption. The third problem is a growing drug trade and narco-economy. And the fourth problem is lack of civilian capacity from the international community, both including poor coordination of international aid.

I mention those problems because it's, when you think about it really combat troops don't address of them, certainly directly. The ideas behind increased troops for Afghanistan don't really seem to

have a strategic rationale. Ken mentioned that the surge was a lot more than just increased troops. I don't quite see that in the troop proposals for Afghanistan. They seem to have more of a tactical rationale to improve local security.

Certainly troops and no one is suggesting that the troops could seal the 2600 kilometer mountainous border with Pakistan and they certainly couldn't improve governance. We know in part that increased troop presence in Afghanistan can't solve the problems I mentioned because there actually has been a surge in troops in Afghanistan as the situation has deteriorated over the last two years. The NATO ISAF mission has gone from 31,000 troops in October 2006 to 41,000 in October 2007 to 53,000 now. And U.S. troops have increased within that by about 12,000.

And certainly these increased troop presence can and have made a difference in local areas as the Marines have done recently in Helmand, but I guess you sort of have to ask yourself on a strategic level to what end? If the problems above are unaddressed what are we going to achieve by these temporary local gains in security. They're essentially spitting in the wind.

We already have enough troops in place to achieve such local gains. What we don't have is the ability to follow up those local gains with improvements in governance and security, particularly in the south. And this has to be said against the negatives of an increased troop

presence.

First, is the notion that this is a foreign occupation. I think the Afghan population has been very tolerant and supportive of the international presence in Afghanistan so far, but that has a limit and certainly increased troops play into the Taliban propaganda that the international effort there is an attempt to undermine Islam and the Afghan state.

Increased civilian casualties by pro-government forces which have increased as the number of troops in Afghanistan have increased despite very assiduous efforts to avoid them. It's interesting, one of the things our Afghan Index demonstrates is that civilian casualties are going down, civilian casualties caused by pro-government forces, by Afghan forces, international forces are going down as a percentage of overall civilian casualties but they're going up absolutely.

What that implies to me is that the measures to decrease civilian causalities in any particular incident are working, but the increased troop presence is causing more incidents and of course the increased Taliban activity is causing more incidents. And so, civilian casualties are going up all together.

Afghans are certainly beginning to wonder and many have mentioned to me, why the international forces are fighting in Afghanistan and not in Pakistan where they view the problem is coming from. And why their children are dying in collateral damage from that fight

if the real problem is in Pakistan.

MR. O'HANLON: Jeremy, a quick interruption. Maybe our BlackBerrys and telephones are causing some of the feedback here, I'm not sure it's going to be a panacea, but I guess we should all take them out. I apologize for that, but apparently there is fair amount of feedback, electronically.

MR. SHAPIRO: Another problem with increased troop presence is it really doesn't give incentives to the Afghans to step up and take responsibility. And it similarly saps political will in the West, where especially in Europe and in Canada where people are beginning to question the commitment. And of course, most obviously troops that we deploy to Afghanistan aren't available elsewhere and aren't available to rest and refit which seems to be an urgent need for the U.S. Army right now.

I think perhaps the fundamental problem that we're seeing here is that the idea of troop surge in Afghanistan reflects our need to do something in a deteriorating situation and the assets that we have available are the things that we understand how to do. The actual problem in Afghanistan, I think, is harder and it requires different resources.

As I said, the number one problem is Pakistan, I think Bruce will talk about some measures to deal with that. Another problem is providing, another thing that we need to do is providing civilian assistance.

Especially to deal with corruption, which is endemic at higher and lower levels of the Afghan government and actually in the international aid effort. We can't deal, I think, with the lower levels but we need to stop tolerating it at the upper levels. That's a politically very difficult move.

Afghans certainly blame us for corruption, more than they blame us for insecurity because we are seen in bed with the corrupt politicians in the Afghan government. And that certainly threatens the mission.

I think another thing we need to do in Afghanistan is to think very hard about food aid. They had a very bad harvest there last year. There's been a steep increase in food prices. The U.N. estimates that 45 percent of the population is now food insecure. The World Food Program has a program underway but they think that they need a lot more and they need some more help in the long term on that front in terms of irrigation projects, roads, and credit systems for agriculture. A lot of these would be necessary in the peaceful regions of Afghanistan.

I think we need to develop the Afghan security forces more and faster. There are currently about 63,000 people in the army, about 80,000 in the police. The army is a real success story in Afghanistan and it should be built upon and built upon faster. They recruited 32,000 soldiers last year, but only retained about 50 percent of them. They should be building up faster and retaining more and that's something that we can help with.

The Afghan Army could at least conceivably secure the country though, certainly not soon and it will require greater pay and more training.

I think we also need to get more aid into the communities, particularly in the areas that are stable. There is a sort of perverse incentive in Afghanistan where if there's instability in your province you get more attention from the international community and more aid. Whereas, if you're stable you don't get anything or you get a lot less.

The counterinsurgency strategy is in part meant to create pockets of stability and of development which can serve as exemplars to the rest of the country and we should be doing that in Afghanistan. That would require us, I think, to relinquish some of our efforts at control and accountability of the aid which is, I think, very difficult on our systems and not well liked by our Congress.

Next, I think we need to be very concerned that the elections next year in Afghanistan go well. And I think that is an area in which a troop surge of rather short duration would be well served, because for similar reasons to what Ken pointed out, it's very important that the elections be seen to go well in Afghanistan next year and the enemy understands that.

Finally, to plug my own project. I think we need better measurement of what's going on in Afghanistan. The de facto measure of

how well the situation is going in Afghanistan is violence, but one of the things that I've been trying to promote in this talk is in fact, there are a lot more indicators of the situation in Afghanistan than just violence. And we've had a lot of difficulty portraying that to our public because we don't have good measures of progress. And so the only thing we can say is yes, there are a lot of attacks happening but trust us, we are making progress.

We need to develop measures where we can show progress or the lack of progress over periods of a year or two so that we can maintain the support in our own publics for the Afghan Mission.

I think overall what we need to do is really focus on expectations. On violence, Afghanistan is not going to be a peaceful country next year or ten years from now. On development, Afghanistan is third poorest country in the world, I think. It's been wracked by 30 years of war. If we do development in Afghanistan well, in 20 years it might look like Pakistan. I think that's about the most we can hope for, but that would be quite an achievement.

What all of this means is that we need a bit of strategic patience, which is something which is in very short supply in capitols in North America and in Europe. But that's more about us and less about the situation on the ground in Afghanistan. Thank you.

MR. O'HANLON: Thanks Jeremy. Bruce.

MR. RIEDEL: Thank you Mike and thank you all for

coming today.

Ten years ago I wrote a memo for President Clinton entitled: Pakistan the Most Dangerous Country in the World. I didn't have the foresight to copyright that title, which in retrospect was a big mistake. You could imagine my chagrin when my copy of *The Economist* arrived in May and they stole my title for the front cover.

But I think that it is an important title to keep in mind, because when we turn to Pakistan the stakes here are really of an order of magnitude that should get our attention. Every nightmare that worries Americans about the 21st Century comes together in Pakistan in a unique and combustible way.

This is the sixth largest country in the world in terms of population. This is the second largest Muslim country in the world in terms of population. According to the International Institute of Strategic Studies Pakistan today has somewhere between 50 and 200 nuclear weapons. Weapons we know that work.

Pakistan is also the number one nuclear proliferator in the world. North Korea's program, Iran's program, Libya's program, and quite possibly a nascent Saudi program all find their origins in Pakistan.

Pakistan is also a conduit for drugs. If 90 percent of the world's heroin is grown in Afghanistan, almost all of it is shipped through the Port of Karachi. And in terms of terror, Pakistan is both a victim and a state sponsor of terrorism and has been for the last quarter

century. It is, of course, also the headquarters of Al Qaeda. There is no reason to believe that Al Qaeda's leadership is anywhere else but in Pakistan.

And as former Governor of Arkansas, Mike Huckabee put it so well in a Foreign Affairs piece a year ago, if the next attack on the United States like 9/11 has a postmark it almost certainly will be Pakistan. And then of course, we will be confronted with one of the true nightmares of the 21st Century. What to do about it?

Every major attack in Western Europe, foiled or successful in the last five years, has been postmarked in Pakistan. Most importantly, the August 2006 plot to simultaneously blow up ten jumbo jets over the North Atlantic with all of the forensics settling to the bottom of the ocean was planned and hatched in Pakistan. And the trial that's going on in London today of those they've caught, the foot soldiers and the wannabe martyrs of that attack have revealed that.

The Taliban and Al Qaeda are generally perceived to the United States to be operating in a strangely named place called the Fatah, the Federally administered tribal areas, a significantly sized part of the world, but still relatively small. That's a big misconception. Al Qaeda and its Taliban allies and the various other insurgent and terrorist groups that they work with, Kashmiris, anti-Shia-Sunni fanatics and others operate not just in Waziristan. They operate throughout the entire western borderlands of Pakistan, from Balochistan in the south to Kashmir in the

north.

Mullah Omar, the self-styled Commander of the Faithful and the Commander of the Islamic Emirate of Afghanistan until 2001, has been a guest in the City of Quetta in Balochistan since 2003. It's an open secret. Everyone knows he's there. The Taliban Shura Council meets there regularly. But it's not just in the Badlands. There's every reason to believe that Al Qaeda and its allies have cells throughout every major Pakistani city, particularly in Karachi.

The problem that we face though is that the sense of urgency we have about this problem is not matched by a sense of urgency in Pakistan. Pakistan instead is completely absorbed in its own domestic political problems. The best way to think about this is to think of Pakistan stuck in neutral. It's left the military dictatorship of the last decade. It aspires, or at least most Pakistanis aspire to get something like democracy, but in fact we now have a combination of both. Meaning we have really neither.

Pakistan is caught midstream in its political evolution. The Army continues to be force unto itself with virtually no civil oversight. The Pakistani intelligence service, the Inter-Services Intelligence Directorate, better known by its acronym the ISI, reports to the Army and the Army makes decisions about what it's going to do.

The civilian leadership, those elected in February have virtually no control over either of these national security institutions.

Prime Minister Gillani just before he came to the United States, a few weeks ago tried to move the ISI under the command of the Ministry of Interior. The Army said no, forget it. It's not going to happen. On paper it's still going to be under the Ministry of the Interior, but in practice no one in Pakistan thinks the ISI is under civilian leadership.

If, as is now widely been argued, the ISI was directly involved in the attack on the Indian Embassy in Kabul which lead to the death of 35 people. It is a fair assumption that the Prime Minister and his government had nothing to do with it and knew nothing about it. I think if they claim that they had nothing to do with it, they're probably right. The military establishment of the country that they theoretically rule over probably did have something to do with it.

Politics of Pakistan today are frozen around the issue of the future of the Judiciary, dismissed by President Musharraf last fall and the future of Musharraf. Pakistanis are more preoccupied with what are they going to do with the former military dictator than they are with the problems that worry Americans.

Today, this week, major Pakistani political parties are really debating for the first time, seriously the question of impeaching General Musharraf. We are long past the point in Pakistan where General Musharraf should do the right thing and depart the stage. It is time for him to take himself out of the Pakistani political equation and it's time for the United States to not resist the removal of General Musharraf. As long as

this stalemate in Pakistani politics continues, a political vacuum will continue and Pakistani military leaders will be tempted to, again, engage in politics.

None of this should be very surprising. Pakistan's 60 year old history is like the movie "Groundhog Day". You see it over and over again. This is the fourth attempt in Pakistani history to try to build a democratic civilian leadership. All previous attempts failed as well.

The inefficiency of the current PP Government should also be no surprise. During Benazir Bhutto's two terms as Prime Minister in the 1990s, she admitted herself she had virtually no control over what went on in the military establishment.

So what should the U.S. do about this? We've already heard two pleas for patience and calm in the long view. So now you are going to hear a third plea for patience and calm particularly needed in Pakistan because our options are very much limited by the residue of our past policies. The United States has a remarkable bipartisan record of supporting the military dictators in Pakistan instead of the democratic establishment.

Every American President has more or less sided with the dictators when push came to shove. President Eisenhower sided with the first dictator, Ayub Khan. President Kennedy even invited him to Mount Vernon for a state dinner. Richard Nixon famously tilted toward Pakistan and its dictator during the Bangladesh War. President Reagan

embraced General Zia as his man to destroy Communism. And George Bush has embraced Musharraf.

The Bush-Mush entente, as it is called in Pakistan, has alienated the vast majority of Pakistanis. We have a huge catch-up job to do here. Ironically, even the Pakistani Army has no faith in us because they know that in the clutch we have consistently deserted them time and time again. The F-16 debacle: Will we produce them? Will we find them? Will we give them to them?

(Interruption)

MR. RIEDEL: -- is only the tip of the iceberg. The U.S. has leverage in Pakistan. We've provided over $11 billion in military assistance to Pakistan in the last 10 years -- more than we provided in the previous 50 years to every other Pakistani government, far more than we ever provided to a democratically elected government in Pakistan. But almost no Pakistanis have seen any benefit from that $11 billion, because all of it went to the Pakistani army and in funds which had no accountability to them.

Pakistan, on the other hand, has tremendous leverage on us. The irony of the war in Afghanistan is that both sides supply line comes through Pakistan. Jeremy has already talked about how the Taliban supply line comes out of its safe haven in Pakistan. Eighty-five percent of the logistics that support that U.S. and NATO forces in Afghanistan come through the port of Karachi. Almost every bullet we fire,

every meal we eat, comes via Pakistan and the Pakistanis know that. Pressure on Pakistan will inevitably result in slow downs in the logistical supplies to our forces in NATO. Pakistanis can do this very easily -- simply saying we can't find the forms. Probably true. They probably can't find the forms most of the time. So what to do?

Since we've already been plugging books, I'll plug one more. The second version of *Opportunity '08*, which is coming out, I think in a month or so, has a chapter on Pakistan. And let me briefly summarize some of the suggestions I have there. First of all, Pakistanis need to do more, and more quickly, with their political problem. Pakistani politicians need to meet the challenge this time. Mr. Zadari, Mr. Sharif, both need to decide where do they want to take their country and think a little bit beyond partisan politics. Accountability needs to be brought into the Pakistani political system. For 60 years, politicians and judges have been subject to going to jail and being put in prison. It's time for generals to be put in prison in Pakistan as well. And it's time for Pakistan's military to get out of the political arena and stay in the barracks.

It's time for Pakistan's intelligence service to pick one side in the war on terrorism -- hopefully ours -- but take at least one side. The U.S. needs to stand clearly with this newly-elected democratic leadership -- despite all of its failures and all of its warts. To paraphrase Don Rumsfeld, we don't have the Pakistani political leadership we'd like to, but we've got to make do with the Pakistani political leadership we have. We

should avoid shortcuts of going to the ISI and the army for quick solutions to problems. We need to build confidence in Pakistan's democratically-elected leadership. The bill that Senators Biden and Lugar have put forward to increase economic assistance to Pakistan is a good bill. It will triple the amount of economic assistance so that we will no longer have 95 percent of our assistance going to the Pakistani army, and have a considerable amount going to the Pakistani people.

We should also continue to use force as we have against very high value targets in Pakistan. The attack a week and a half ago that killed Al Qaeda's premier bomb maker was a significant victory for us. We need to be extraordinarily careful to make sure that those are truly high value targets we're going after and that the intelligence is as good as it can possibly be.

We need to avoid loose talk about larger military options. The notion of moving NATO forces into the Fattah is crazy. We will only spread the cancer deeper into Pakistan. The notion of us securing Pakistan's nuclear weapons is even more crazy. Since, first of all, we don't know how many there are, nor where they are located, it would be a pretty difficult mission. Since the Pakistani army will defend the sovereignty of their country with every weapon they have, we could also precipitate Armageddon. Talk about these issues is extraordinarily counterproductive. It only feeds the paranoia and conspiracy theories of the Pakistani political milieu.

Most critical of all is we need to see the broadest possible picture here. We need an overall regional approach to the problem of Pakistan and Afghanistan. Pakistan is an unusual country. Two of its borders have never been fixed. Its border with Afghanistan was drawn by the British more than 100 years ago and has never been accepted by Afghans. Its border with India in Kashmir has never been accepted by either. Energetic, quiet but resolute American diplomacy ought to be put to work to try to resolve both of those anomalies. If you want Pakistan to provide a secure border, you first of all have to have a border that everyone has agreed to.

The final note I would make -- the Kabul embassy bombing is a very dangerous development. For the last five years, we've enjoyed a relative period of normalcy and quiet between India and Pakistan. If the Pakistani army has decided, as some suspect in Pakistan, to play the India card again in order to weaken the civilian government by raising fears of an Indian encirclement of Pakistan, and talking about Indian consulates in Afghanistan being bases for anti-Pakistan operations -- if we are moving down that road, we can see a crisis coming in south Asia that will make the three crises we've been talking about here today look small in comparison. The United States should be energetically working to try to diffuse tensions between India and Pakistan and to making it abundantly clear to the Pakistani army and ISI that we think ratcheting up tensions with India is a very bad idea.

MR. O'HANLON: Thank you, Bruce. I'm going to ask each panelist a quick question. Then we'll turn to your questions in just a moment. These are big questions, but I'm asking, of course, for a fairly brief answer so we can get to the audience. Ken, this is a question I know that you also don't like to be too precise about, but since we are looking for the linkage between Iraq and Afghanistan, even though Jeremy has told us he doesn't want too many more forces freed up from Iraq to go to Afghanistan, other Americans may feel differently, and just to have our options on the table, I'm curious about your thoughts of roughly how fast we can downsize in Iraq according to your view of the situation there?

MR. POLLACK: Sure, Mike. I mean this is the question I typically leave to you to answer. So I will try to do my best Michael O'Hanlon impression and add a little bit of my own auspices as well which is to say that again things are moving well in Iraq. I think that you can look out over a period of 18 to 24 months. There are number of developments that ought to happen during that period of time. You ought to have a greater reassurance of a populace and of the different actors in Iraq getting over these fears I was talking about earlier. And in addition, during that same period of time, you ought to have the two elections that I talked about.

If all of that happens, if in particular the elections go well -- they don't have to be great, they don't have to be fantastic. As I said, in our conversations when we were over there, all Iraqis were looking for

was evolution, not revolution. They just wanted to see things moving in the right direction.

That ought to suggest that at some point after the formation of a new Iraqi government, probably early in 2010, that you could begin a much more significant drawdown of American troops. Again, if things are going well, at some point in 2010, you probably could start that drawdown. You might even be able to end it at some point in time in 2011. If not 2011, certainly by 2012.

And so I think that the next President ought to be able to say that if things continue to go well in Iraq and our resources, our troops in particular, are very important to making sure that they continue to go well in Iraq, that by the end of my first term, you will have a very significant reduction in American troops -- you know, perhaps even halving the number of American forces present in Iraq.

MR. O'HANLON: But not much of a cut until the end of 2009, early 2010? Not even 10,000 forces? Or is that at least possible?

MR. POLLACK: Yes, that is one where I would absolutely it to the commanders on the ground. I think it's a very much an open question and in particular one of the big question marks in my mind is how many troops do we need for the elections. As you are well aware, as I think many people are well aware, in the past, we've always surged American forces around the time of Iraqi elections to make sure that the polling went well, make sure that there was no violence or efforts to

subvert the elections themselves. I get nervous when we start talking about major drawdowns -- even drawdowns of you know five figures of troops prior to those elections. But, you know, we've got General Odierno taking over in Iraq, and if he comes back and says I can secure the elections. I can secure the polling places. I can make sure that the average Iraqi can go into that booth, pull whatever lever he or she wants and know that that vote is going to be counted, and only that vote is going to be counted, with this level of troops, you know, I'm not going to second guess them.

MR. O'HANLON: Jeremy, one thing I've learned already from your fledgling Afghan Index, which I guess is now becoming available publicly, is just to be reminded of something I had seen before -- the stark contrast, not just between Iraq and Afghanistan on western troop presence, but on the size of their own security forces. And in Iraq today, as Ken and I saw in our travels, there are more than half a million Iraqi security forces on the books -- not even counting some of the smaller units that have special missions like oil protection and so forth. In Afghanistan, I believe the total from what you just said and from what I've seen is under 150,000 for a country that's even larger. And my understanding of the logic of that is that we know that Afghanistan's budget and resources are so constrained, we haven't wanted to see them develop much of a larger military. Is that a smart logic? Even if we don't go to a much larger western presence, or can't, should we basically say, listen it's worth a few

billion dollars a year for 10 years for Afghanistan to have a big enough military and police to essentially stabilize its own internal territory. And isn't that perhaps -- I'm putting this out obviously as a provocation, but I'm just curious -- if that's the piece that we should look at to beef up even if the western troop presence, in your judgment, should not go way up.

MR. SHAPIRO: Yeah, thanks for provoking me, Mike. Yeah, I mean, fundamentally I agree. I'd like to be a little bit careful. The logic behind the Afghan, the limits on the Afghan army, in particular, which is authorized for about 82,000 -- it's only really at 63,000 -- are more or less what you said. It's recognized that there's no way that the Afghan government would be able to afford this on their own and so it was thought that if we're going to make this a self-sustaining place, we need to put a firm cap on this. And that, from an economic standpoint, that's certainly correct. But, I think that from a strategic standpoint, it doesn't make any sense. I think Afghanistan is not probably in our lifetimes going to be self-sustaining -- and that includes the army. We should be willing to continue to fund that for the foreseeable future and that would imply a dramatic increase in the Afghan army. I think that that is already pretty well entrain. I don't think that people are really any more committed to that 82,000 figure, although it hasn't officially gone away. It's turned out to be quite difficult for both western and Afghan forces to create the Afghan army that they want with the speed that they want. But I think that there could be more efforts there and I would favor that.

To the extent that I want more forces in Afghanistan, it's specifically for that mission -- to train the Afghan army, which is actually the most trusted national institution in Afghanistan and is quite effective. It hasn't lost an engagement with the Taliban since April of 2007. The police are a more difficult problem. They are part of the problem in Afghanistan. They are very corrupt. We have put -- the United States has put $6 billion toward the police and there isn't currently a single effective police unit in Afghanistan. And I think it's sort of time to think about whether we're really capable of building an Afghan police force. A police force is a lot more difficult to build than an army -- because it's dispersed, because it's subject to corruption. It's much more difficult to control. And because it is so vulnerable to local war lords and other criminal elements and the Afghan police have suffered a huge number of casualties. They're the force that has gotten the most casualties in Afghanistan. So I'm very dubious, particularly in the short term, of a lot of investment in the Afghan police. We haven't been able to show much return there, so I would focus on the army.

MR. O'HANLON: And Bruce, we've heard a lot of discussion about how much Pakistan matters for Afghanistan. I want to turn the logic around and ask you as we heard this discussion about Iraq and Afghanistan -- two parts of the world that I know you've studied extensively as well -- how much do they matter for Pakistan? Is the relationship mostly one way in the other direction?

MR. RIEDEL: No, it's very interdependent. In fact, you can make a strong case that much of Pakistan's problems originate in its relationship with Afghanistan. The Talibanization of the western part of Pakistan is really a phenomenon that is born out of the Afghan civil wars of the 1990s. What's striking to think about all of this, of course, is to put yourself in our position for a minute. We fought this war from both sides. We know, because we did it very successfully, that if you have a safe haven in Pakistan, there's no way you're going to lose an insurgency in Afghanistan. We did it in the 1980s. We know how difficult it is to deal with the problems that Jeremy has talked about if every time the Taliban get into trouble, they can just slip back across the border into Pakistan. It's a unique case. I can't think of another war in recent memory in which we've had the opportunity to see it from both sides. We seem to have had a very difficult time in figuring out that therefore we have a strategic interest in a fundamentally different kind of Pakistan than the Pakistan we've been dealing with for 60 years.

MR. O'HANLON: Thank you. We'd like to open it up now to your questions. If I hadn't said so before, let me let you know that CSPAN is covering this live, so please wait for the microphone and please identify yourselves and please be as brief as you can be in your question. So, here in the front, sir.

MR. ZANTING: Thank you. My name is Walter Zanting . I'm an intern at the Hudson Institute. I had a question for the first two

speakers. When I listen to what you are saying, I think you might make the point that Afghanistan might be the nastier, longer, even more unwinnable war of the two. You could, for example, say that in Iraq most of the population lives in urban centers. In Afghanistan, it's only 20 percent -- mostly spread out -- so it's much harder to control for a national government. There is a history of nationalism in Iraq -- not so much in Afghanistan which is, I think, more tribal. The resources in Iraq are already developed -- in Afghanistan not so much. And also Iraq has more of a history of stability -- you could say at least before 2003 -- where Afghanistan has been at war, as you were saying, for 30 years. And I would just be wondering what your opinion of that was?

MR. SHAPIRO: I don't really have an opinion about that. I don't -- I'm not an expert on Iraq and I'm not really an expert on Afghanistan. I'm certainly unwilling to compare them. I think that the problem that we have in drawing these comparisons is that we tend to compare trends as opposed to absolutes. We see that things are getting better in Iraq and getting worse in Afghanistan. In Afghanistan, we never had an ethno-sectarian war, which was the first order of problems. Most of the first order problems that Ken cited in Iraq, never existed in Afghanistan. And that's why we're able to, you know, at least maintain a stalemate there with one-fifth of the forces. So, I guess I don't know the answer to your question. I don't actually really think that it matters all that much. For me, both wars have to stand on their own strategic rationale.

We, as a country, have -- and as an international community, have a lot of resources to apply to both of these problems. The question really is how much should we apply.

MR. O'HANLON: Go ahead, Ken.

MR. POLLACK: I'll just add to that that from the Iraqi perspective, I think that some of the factors that you mentioned are important. I think there are a range of other factors, but what has changed so dramatically over the course of the last 12 to 18 months is that it is possible now to imagine what a stable Iraq would look like and that there are trend lines in Iraq that could take you there. I'm using the conditional tense, of course, very purposely. They could take you there. We're not on a glide path to victory at this point in time, and as I said I get very, very nervous when I see some of the triumphalism that's already creeping in and I'm very fearful, as Mike and Steve and I pointed out in our op-ed yesterday, that we're about to see another mission accomplished banner on another aircraft carrier and I think that that would be very premature.

MR. O'HANLON: Sir, here in the white shirt.

MR. HUSSIN: Hadil Hussin, Daily Times, Lahore, Pakistan. Mr. Riedel, what is your evidence for accusing Pakistan of being responsible for the bombing of the Indian embassy in Kabul?

MR. RIEDEL: Obviously, I no longer am privy to seeing the intelligence information that our Government has, but I think that we've seen both the Afghan security services, the Indian security services point

the finger at the ISI and if we can read, take the New York Times as serious that the American intelligence services have also pointed at the ISI. The evidence that is available in the unclassified arena is not conclusive by any means. But, there is a history, that I think most people in south Asia understand well, and makes it hard to dismiss these accusations as out of term.

MR. O'HANLON: Here in the front, please.

MR. LOBE: Jim Lobe, Inter Press Service. There is a kind of geographical linkage that has gone unmentioned, or at least a potential one, which is called Iran, which is a major preoccupation of this administration in any event. I wondered if each of you could kind of assess what Iran's potential influence could be -- how much of a hindrance and how much of a helper it could be -- in each of these countries and whether that should suggest any change in our policy?

MR. O'HANLON: Bruce, do you want to start? Then we'll go down the row.

MR. RIEDEL: I will suggest one linkage. If we have fragile progress in Iraq and downward slide in Afghanistan, an American military operation in Iran is likely to increase the fragility of one and put the hammer to the metal on the downward slide of the other. Neither the Maliki government nor the Karzai government would feel very comfortable seeing United States conducting military operations in Iran. For Pakistanis, the conspiracy theory that many people in Pakistan believe

now is that the purpose of U.S. forces in Iraq and Afghanistan is the dismemberment of Iran, to be followed by the dismemberment of Pakistan in collusion with India. These conspiracy theories are widely believed by many people, including senior officers in the Pakistani army.

MR. SHAPIRO: I think, as has been indicated, Afghanistan very much needs to be seen in a regional context and Iran is a very important part of that regional context and it plays a very important role, especially in the western part of Afghanistan. What's interesting about the U.S.-Iranian dialog, if you call it, over Afghanistan, is that they have fundamentally compatible goals in Afghanistan. The Iranians do not want to see the Taliban come back. They were dread enemies of the Taliban. They almost went to war with them in 2000 or 2001. And they were broadly supportive of the U.S. invasion and I think that they were, in fact, helpful in the early days of the U.S. -- after the U.S. invasion. The relationship has soured to some degree over other issues, but that has had an impact on Afghanistan and that has hindered the ability to create a regional solution. And I think that moving forward on that track could be quite useful. There isn't a lot of evidence, as in Iraq, that Iran is a mischief maker in Afghanistan. There is some evidence, but not a lot and it's probably let's say entrepreneurs rather than the Iranian government. But, there also isn't a lot of evidence in the last few years that they have been helpful in moving forward and I think they could be and I think they'd

actually be willing to be if some of the other issues in the U.S.-Iranian relationship were moving in the right direction.

MR. POLLACK: Let me start by simply adding or echoing Bruce's point that I think that an American military operation against Iran, which I actually think is very unlikely, but nevertheless to make the point, would be very unhelpful to America's interests in Iraq right now. I will also add the point that I think that an Israeli military action against Iran would be equally unhelpful. In their defense, I actually would say that I think the Israelis recognize that. They were terrified of Iraq falling apart. They recognized in 2006 that Iraq's descent into all out civil war could be enormously damaging to Israeli security interests and I think that they recognize that the successes of the surge and Iraq's movement in a different direction is actually very helpful to them and I think that is part of their calculus.

I will also say that it is a truism to simply say that Iran has enormous interests in Iraq and also a considerable amount of influence in Iraq. Somewhat different from Afghanistan, as Jeremy portrayed it, Iranian interests and American interests in Iraq in some areas are in confluence, in other areas are antagonistic. And you've had the interplay of that over the course of time. I think that they have taken yet another turn over the last six or eight months where the military strategy that the Iranians embraced in the 2006-2007 timeframe was shown to have been hollow and failed effectively. And I think that the Iranian leadership is now

trying to figure out what the best way to handle that issue is for them, but they have shifted gears. A lot of what Iran is doing in Iraq now is in the economic realm and to a lesser extent the political realm.

Some of the people we spoke to in Iraq – Iraqis -- we spoke to an Iraqi, you know, who had some very interesting comments along the lines of: anything that you need in Iraq, any kind of financial assistance you need in Iraq, you can get from the Iranians. You want to start up political parties, the Iranians will back you. You want to start a business, the Iranians will back you. You want to buy a house, the Iranians will give you a mortgage. You need a car loan, the Iranians will give you a car loan. That's probably something of an exaggeration, but not much of one. The Iranians recognize that the change in the security situation and the rejection of the militias by the Shia population was very much to their disadvantage. And they're looking to recoup those losses by going in and saying look, we're not just military backers, we're here to help all Iraqis financially, economically, politically, in every way. And that is giving them a new purchase in southern Iraq.

What's been very interesting is that Saudis, the Kuwaitis, the Gulfis for the first time seem to recognize that this is going on and are trying to push back. And so for the first time you know actually have Saudis and Kuwaitis showing up in southern Iraq and offering similar financial inducements to Iraqi Shia as a way of trying to fight this war for influence over the Shia population with Iran. I don't think we know how

that's going to come out. It's kind of an interesting battle. I think from our perspective, we do need to always keep in mind the fact that we have both interests in common with Iran and interests that diverge from Iran. And the question mark, I think really for use, is how do we maximize what Iran does that is actually positive for us, that is helpful for us -- things like dampening down conflict between different Shia groups and prevent the Iranians or hinder the Iranians or convince the Iranians to diminish their own support for those kind of activities that are harmful to us like sending additional weaponry into Iraq. I think there are ways of doing that and I do think that it does begin in terms of expanding the channel that Ryan Crocker tried to open with the Iranians.

Now, let's face facts, the problem there was on the Iranian side. They chose not to make use of that channel and they've basically chosen to close it down. That doesn't mean it was a mistake for us to have tried. And I would suggest that it makes eminent good sense for us to keep trying to be even more aggressive about it, because the worst, the outcome for us is that it becomes clear to the Iranian people and to the rest of the world that we are looking for the better relationship and that it is the Iranians who are not interested in it.

MR. O'HANLON: We've got about 15 minutes left. I'm going to take one more question up here and then move backward. I'm going to ask you all, because of the limited time, to pose your question to just one person from this point onward as well. So, go right here, please.

MR. HIGHKIRK: Thank you. I'm Bill -- Bill Highkirk. General Petraeus testified before Congress that Iran was involved in supplying military equipment and their quad troops to go into Iraq and confront American troops as well as the Iraqis. And just a few weeks ago, two weeks ago, four Brits came here to Washington and they told a story about British troops being killed and kidnapped or captured and then held hostage by Iranians and they're very angry -- the British military is very angry about this. So, I know U.S. doesn't want to go into Iran in any military way, but how do we keep the lid on and prevent war between the U.S. and Britain and Iran?

MR. O'HANLON: Is that for Ken?

MR. HIGHKIRK: That's for anyone.

MR. POLLACK: I'll give a quick answer. I think the best way we can do that is to do exactly what we've been doing for the last six months -- allow the Iraqis to fight the battle for us. One of the most important things that's happened in Iraq over the last eight to ten months has been the resurgence of the Iraqi nationalism. For us, Iraqi nationalism is a double edged sword. On the one hand, it's painful for us because we see it in the negotiations over the status forces agreement where Iraqis are pushing back on the United States, reasserting their own nationalism, their own sovereignty. That complicates matters for us. But it's actually very helpful to us and very problematic for the Iraqis because they are also pushing back on the Iraqis -- on the Iranians, excuse me. The Iraqis

by and large don't care for the Iranians. They are Persians. There is this traditional Arab-Persian rivalry. Remember that the Iraqis fought against the Iranians throughout the Iran-Iraq War. They'd like to have a good relationship with their neighbors in Iran because they need the trade and they don't want to have another war, but they're not looking for Iranian influence in Iraq. And the more that we can allow the Iraqis to push back on the Iranians and not make it a U.S.-Iran confrontation, the better for all of us.

MR. O'HANLON: Here in the blue shirt, half way back, please.

MR. ERHAN: Bob Erhan, Stimson Center. I'd like to address my question to Mr. Bruce Riedel. President Musharraf has recently claimed that India is stopping the insurgency in Velotistan and I believe that some of the Pakistani intelligence services -- I believe the ISI -- is submitting a report to the federal government on arms in the western regions originating from India. Do you believe these claims have some base to them or do you believe that Pakistan is bluffing?

MR. RIEDEL: India is quite active in Afghanistan. It has been one of the major donors of economic assistance to the Karzai government. Given its own economic serious poverty problems at home, it's remarkable actually how much India has been willing to put in to helping to try to rebuild Afghanistan. It has also been very politically active in Afghanistan. It is no secret, I think, that President Karzai's sympathies

are much more with India than they are with Pakistan. Whether the Indian intelligence service is using some of these consulates for espionage against Pakistan, I can't say whether that evidence is conclusive or not. But here again, history is a pretty good guide. The ISI and its Indian equivalent, called RAW -- a think a rather inappropriate term for an intelligence service -- having gauged in spy versus spy games in south Asia and played with dangerous mechanisms for a long time, it would not shock me that they are doing it again. The attack on the embassy in Kabul, however, has ratcheted this up out of the norm of spy versus spy activity to a much higher level. The Indian National Security Advisory said that India has conclusive evidence of Pakistani involvement and that India intended to retaliate in kind. That kind of rhetoric from a serious professional ought to be sending off alarm bells in the State Department and the White House about where this could be moving.

MR. O'HANLON: In the back, in the green tie and shirt. Right. Yes, sir. Right there.

MR. MILIKEN: Al Miliken, American Independent Writers. Do any of you have a sense how our enemies, particularly Al Qaeda in each of these countries, are sizing up and may test our U.S. presidential candidates even before one wins and takes office?

MR. O'HANLON: Bruce, do you want to try that?

MR. RIEDEL: We don't know whether Al Qaeda has a preferred outcome to the American election. What we know is that we will

hear from Al Qaeda before our election. They almost certainly will be putting out a major message on the anniversary of September 11th. They do that all the time. Last year the message included the martyrdom video of one of the 19 highjackers. I suspect that wasn't the only one they have. We'll probably hear another video or audio message from the Al Qaeda leadership just before the election in November. Remember they did that on the eve of the 2004 election. And Al Qaeda also now gives what I call the state of Jihad message in every January, which is a kind of global wrap up on how the war against the crusaders and the Zionists are going. So, we're going to hear, between now and inauguration, probably at least three significant propaganda messages. Will they do something else? Do they have intentions that go beyond words to deeds? We know also from history that Al Qaeda has tried to influence the outcome of the electoral process -- not just in the United States, but elsewhere with significant attacks on the eve of elections. The Madrid bombing is, of course, the best example of that. It was previewed in a Jihadist website put out by Al Qaeda in Iraq three months before the attack. The 2006 plot that was foiled by MI5 to blow up aircraft over the Atlantic was probably timed for September or October of 2006, which would have put it on the eve of our Congressional elections. Al Qaeda's operational pace of activity is driven largely, to coin a phrase, by the commanders on the ground and their understanding of when they're ready. We know that from past behavior as well. But certainly the American electoral process and reminding

Americans that Al Qaeda is still there is going to be very much on their agenda.

MR. O'HANLON: Yes, please. Next to last row.

MR. CHIN: Chia Chin, freelance correspondent. This question is for Dr. Pollack. The Iraq security force is very critical for the fate of the Iraq. What can be done to have the composition of the Iraq security force conclusive so this force can be credible and effective? Thank you.

MR. POLLACK: It's a great question. I appreciate your asking it because it gives me a chance to make some points that I was hoping to make, but didn't get a chance to. Because the changes, the transformation of the Iraqi security force are another one of those things where there is clear progress, but that progress is still very incomplete. The size of the force has expanded dramatically. As Mike pointed out, they're well over half a million troops in the various Iraqi security forces. The capabilities of the troops have increased considerably. The training is now taking hold. You have more and more Iraqi units that are real partners for the Americans that can actually hold battle space, that can lead operations, that can do all that. Not every Iraqi unit can. Not every Iraqi unit can do it as well as every other. It's uneven across the force. But, you're getting more and more units that can actually do it. And in addition, they are dealing with the problems of politicization and ethnic and sectarian tension. It is a slow developing process, but they are bringing

more and more Sunnis into the force. They are removing some of the worst sectarian actors. They have been doing this for years. And it is increasingly the case. You know, just a quick example. I remember when I was over in Iraq in 2005 talking to some of the American advisors, they'd say to you, you know, in an entire brigade command structure, they'd go, yeah, this guy, the battalion S-3, he's a really good guy. He's nonsectarian. I work with him. Everything I do, I try to do with him. And this other guy in the brigade S-4, he gets me everything that I need. Now, when you go back -- what we found in 2007-2008 -- is the situation is flipped. They'll do the entire brigade chart again of the leadership, but this time they go, yeah, this guy in the S-2 he's a problem. We got to watch out for him. Or this other guy, you know, who, you know, runs the machine gun section -- he's a problem. So it's gone from you used to pick out who the good guys were, to now you know you just pick out who the bad guys were. That's a very important transformation and you're seeing it all across the force where some the best units -- the one that Mike and I like to talk about a lot -- the best unit in the entire Iraqi army, the first of the first, the first brigade of the first infantry division, is now 60 percent Sunni, 40 percent Shia. Very good Iraqi unit -- has done very well in Anbar, in Basra, in Baghdad. So in Sunni areas, in Shia areas, in mixed areas -- does well in all of them, has a very good record, a very good mixed force. So again, there is progress, but there's still quite a bit more to go.

MR. O'HANLON: Here in the front.

MR. BYRNE: Jim Byrne of Community Development Publications. I'm interested in any of your opinions on the political impact of that recent New York Times magazine story by the former State Department drug guy basically laying out that we're dealing with a downright bought government right now living off of heroin. What do you think the political impact of that revelation? That was a powerful, powerful article.

MR. O'HANLON: Jeremy.

MR. SHAPIRO: The political impact? I think that, you know, it's true by and large that the drug trade is now a huge portion of the Afghan economy and so it shouldn't be surprising to us that it's having a big impact on the state just like we saw not too long ago in Columbia. The, you know, we are -- we have to remind ourselves sometimes why we're in Afghanistan. We're there because that's where the 9-11 attacks originated from and we have a strategic goal there to make sure that no terrorist attacks will ever emanate from there again. And that involves achieving a certain degree of stability in the country and it involves a certain presence. We've actually largely achieved that. Now we have to worry about them coming from Pakistan, but, you know, one country at a time. In so doing, we are not going to revolutionize the Afghan state. In a lot of ways, we're going to make it -- we have made it worse. I think that the corruption problem, the narcotics problem is a long term problem for us because it means that people are very dissatisfied with what the

Afghan state does and we are associated with that state. And I think we need to make efforts to crack down on that and to make sure at the very least that we are not associated with it, which we are right now. I think that article made that clear. Having said that, I don't think that we can expect to be able to remake Afghan society, remake the state to such an extent that we can eliminate that trade and certainly not through using, you know, U.S. or NATO forces for drug eradication. We've had very little success at that anywhere in the world I think, and we wouldn't have much success at it in Afghanistan and it would hurt our primary mission. So I think what we need to do is -- I mean, corruption is a huge issue and we should be working on it, but I would prefer in the first instance to be clean ourselves, to be not associated with it and to try to promote good governance on the ground rather than engaging in a sort of heavy handed antinarcotics and anticorruption campaign.

MR. O'HANLON: I'm going to take two more questions together and then we'll have the panelists each say a word if they wish to wrap up. So, ma'am, here in the pink, and then, ma'am in the fourth row.

MS. POPLIN: Hi. This is a good wrap up question. It is about Iraq and Afghanistan. It sounds from listening to you as though the second order problems you talk about in Iraq and the problems you talk about in Afghanistan are really very similar -- political problems, governance, corruption -- and yet for Iraq, it sounds like that's a reason why we have to leave the troops in, whereas in Afghanistan you say that's

a reason why bringing more troops won't do very much good because in both cases, they're political problems. They're not military problems amenable to being fixed by combat.

MR. O'HANLON: And then here, please, and then we'll finish up on the panel.

SPEAKER: Why is the U.S. government shaking its fists over the Iran -- over Iran's nuclear intentions, when it seems as though Pakistan is a much more serious problem?

MR. O'HANLON: Why don't we go Ken, Jeremy and Bruce, please.

MR. POLLACK: Sure. First on Iraq versus Afghanistan -- while you're right, there are broad similarities between the problems, the two countries are very different places and even in their specifics, the problems are different: the nature of corruption in Iraq, the nature of corruption in Afghanistan. Different problems. And what's more, in Iraq you do have the hangover of the civil war and the insurgency and the fears -- the lingering fears that remain. You know, we should remember academics will point out that countries that have experienced a major civil war, have a very high rate of recidivism. And that's what we've got to avoid in Iraq -- is making sure that doesn't come back.

MR. SHAPIRO: Yeah, I mean first of all, I want to say that you say you, but in fact you meant Ken and I, and we disagree on a lot. So, I don't associate myself necessarily with what he says. Although,

frankly, what he just said was just exactly right. And I think it's very -- despite the fact that we have, that we have created it a bit by staging this event in this way, it's not a good idea to make these Afghanistan-Iraq comparisons. I think each country really does need to stand on its own, for its own strategic rationale and for its own domestic problems. They are very different and I think that a lot of the problem has been in the domestic debate that we insist on these types of comparisons. We insist that because the surge was effective in Iraq, that it must be effective in Afghanistan. These are natural, I think, comparisons, but I don't think they're helpful because these are very unique situations.

MR. RIEDEL: I can't answer the question why the U.S. government spends more time worrying about a nuclear wannabe than a nuclear has. The Bush Administration is the proper address for that question, not here.

Let me just make one last comment about the nature of the Al Qaeda threat. If after seven years we have succeeded in moving the Afghan or the Al Qaeda safehaven from Kandahar to Quetta, we haven't really done very much. That's less than the distance from here to Philadelphia. Now, of course, the train network between Kandahar and Quetta is even less reliable than the train network between Washington and Philadelphia, but it is not -- should not give you a lot of solace that that is the net effect of seven years of going after Al Qaeda.

MR. O'HANLON: Thank you all for coming. Please join me in thanking the panel.

CERTIFICATE OF NOTARY PUBLIC

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

/s/Carleton J. Anderson, III

Notary Public # 351998
in and for the
Commonwealth of Virginia
My Commission Expires:
November 30, 2008