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MEMO TO THE PRESIDENT: RESTORE AMERICAN LEADERSHIP TO ADDRESS TRANSNATIONAL THREATS

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PARTICIPANTS:

Moderator:

CARLOS PASCUAL
Vice President and Director, Foreign Policy
The Bookings Institution

Panelists:

BRUCE JONES
Senior Fellow, The Brookings Institution

MICHAEL O'HANLON
Senior Fellow, The Brookings Institution

BRUCE RIEDEL
Senior Fellow, The Brookings Institution

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P R O C E E D I N G S

MR. PASCUAL: Good morning. My name is Carlos Pascual. I'm one of the vice presidents at the Brookings Institution and also the director of the Foreign Policy Studies program, and it's a great pleasure to welcome you to Brookings and to this event. This event is part of a series that Brookings has been doing on the Presidential transition and how to provide constructive advice -- not just on the issues that are being dealt with during the transition period from November through January, but in fact on day one, the President comes into office, he's going to be faced with an enormous set of issues that are going to be just overwhelming, but they're also issues which I think one can begin to say, can shape the nature of the international system over the next 50 years.

And that's particularly true on the kinds of topics we're going to deal with today, which are transnational threats. Just for definition purposes, the kinds of things that we're thinking about when we talk about transnational threats, the transnational agenda, are questions like climate change, nuclear security, global financial instability, transnational terrorism, the spillover of conflict across borders, and the control of international disease.

We don't have, obviously, time, to get into every single one of these questions in a way that is going to provide the solutions. We've had separate sessions, for example, that have focused on climate change, but

the reason that we're having this session is that in many ways these issues are interrelated and interconnected. They influence one another, and the way that we think about the solutions and the management of the questions needs to be dealt with, in a sense, in a package. And that, in and of itself, is going to be a challenge.

In order to be able to deal with these topics and address this agenda, I'm joined today on this panel by three of my good friends and colleagues here from Brookings, and also between Brookings and New York University. First let me start with Bruce Riedel. Bruce served in the Untied States government for more than 30 years, principally in the intelligence community, but he has also served as an advisor to George H.W. Bush, to President Clinton, to George W. Bush. He was an advisor at NATO, he has been centrally involved in development of NATO's presence in Afghanistan, and he is one of the foremost authorities and analysis in the country on issues related to terrorism.

His book, that many of you may have heard of, *The Search for Al Qaeda, Its Leadership, Ideology and Future*, is just a stunning read. And many of you may have read it, or read about it, or read reviews in the *Financial Times* and the *Economist*. I think you've got one coming out in the New York --

MR. RIEDEL: *New York Times*.

MR. PASCUAL: -- *New York Times* review this weekend. Just click on any of those reviews, you'll buy the book. It's truly outstanding. I'm also his agent.

(Laughter)

MR. PASCUAL: Another person we have here is Michael O'Hanlon. Mike is well known to probably everybody in this audience -- one of the outstanding comments on defense and security issues in the United States. His work and commentary on Iraq, I think, has been particularly prescient.

Some of Mike's books include *Hard Power: The New Politics of National Security*, *Defense Strategy for a Post-Saddam Era*, and *The Future of Arms Control*. And he will, in this conversation, get into some of those issues related to arms control, especially in nuclear security.

And then someone who is a little bit newer to this audience and group is Bruce Jones. And Bruce is the Director of the Center for International Cooperation at New York University. He is also now a senior fellow here at the Brookings Institution.

He is a co-author, with me, of a book -- along with another colleague, Steve Stedman at Stanford -- of an absolutely brilliant book that you have to buy.

(Laughter)

It's called *Power and Responsibility: Building International Cooperation in an Era of Transnational Threats*. So you might imagine that we've been thinking about these issues for some period of time.

And part of what Bruce brings, as well, to the agenda here is not only quite a bit of experience on the ground in Africa, in Rwanda in particular, and in the Middle East, but he served as the Deputy Director of the High-level Panel on Critical Threats that Kofi Annan convened in 2004 into 2005, and went through that process when there was a first comprehensive look at these transnational issues.

Let me set the context a little bit here.

Incoming will be a President who understands the nature of this transnational world. We've already heard him speak eloquently about the fact that American Security is completely tied up with global security -- that the two are inseparable today.

In speaking about the threat -- or writing about the threat, better said -- in *The Audacity of Hope* he writes, "The growing threat comes primarily from those parts of the world on the margins of the global economy, where the international rules of the road have not taken hold -- the realm of weak or failing states, arbitrary rule, corruption and chronic violence. Places where the rulers fear globalization will loosen their hold on power, undermine traditional cultures, or displace indigenous institutions."

-- in other words, an individual who has been thinking about the future security threats in non-traditional ways, recognizing the linkages and the relationships with poverty, the rule of law, instability and the way that these issues cross borders.

So why are these issues so hard?

When we think about the kinds of problems that we're dealing with -- climate change, nuclear security, economic instability, disease, terror conflict -- they're really problems that go beyond borders. Kofi Annan called them "problems without passports." And what we have for the international system is a set of mechanisms and institutions that were largely founded on the precept that borders are sacrosanct. When we think about the international security system that was created after World War II, it was largely to create a mechanism to prevent transgressions across borders.

And so now what we have is a world where all of the problems go across borders, and as soon as you bring them back to those institutions that need to think about, "How do you deal with that issue if it has no boundary?" it's frozen. There's a clash.

And so the minute that we begin to think about, for example, putting international security forces in Darfur, you get a clash from the reality that that conflict can spill across borders, and where there's an interest across borders, but the international security system was created

to protect sovereignty, and the Sudanese are able to actually block that happening -- even though it's in the interest of the international security system.

And hence the nature of the problem that we have today.

And it leads to, in the end, a recognition that to solve these kinds of problems, no one nation can do it alone. And yet, if the solution that one would propose is isolationism, that doesn't work either. Because the fact that those problems are crossing borders means that you can't isolate yourself from them.

And so in order to succeed, the challenge that we face today -- the challenge that President Barack Obama faces -- is he has to define -- redefine -- the concept of American leadership. It means that the United States is not leading by acting alone, not leading by acting by being in the front of the pack but, in fact, looking to create a common vision, a shared vision, and building international partnerships and cooperations so that, together with other countries, we have the shared vision, the capacity, the institutional mechanisms to tack these kinds of issues.

That is a very different way of approaching the world than, "You're either with me or against me," or that the United States can, in fact, take the lead and do much of this on its own.

There's another reality of why these issues are so hard, and that has to do with convergence and speed.

From day one -- and, indeed, even from right now -- you have a transition team that is dealing with an economic and financial crisis that's cutting across the world; the tragedy that we see across the Middle East; a recognition that something has to be done on Afghanistan, Pakistan, Iran, Iraq; a calendar that will be relentless. There will be a G20 economic summit in April, a NATO summit in April, a major meeting on nuclear nonproliferation issues in May, a G8 summit -- or a G-something summit, and we'll come back to that a little bit later -- that the Italians will hold in July, a U.S./EU summit that will occur sometime in that period.

The U.S. will be President of the U.N. Security Council in September. And along with all of that, there's a climate change agenda where negotiations are proceeding throughout the year, with the rest of the world intending to reach a post-Kyoto agreement by December.

And so on economic issues, on nuclear issues, on climate change issues, on issues related to the Middle East there are going to be major decisions that are taken over the course of this year -- whether we like it or not. And the question then becomes, do we get involved in a way that we help shape the choices and the way the direction evolves, or do we step back and respond to it?

I would offer that if we take the latter approach we're not going to necessarily achieve the objectives that we want.

So the question, then, that we come back to -- and this is really the topic for this session -- is what can be done to shape this kind of an agenda? -- big as it is, complex as it is, transnational as it is, where it's not just dependent on us, but it's based on a different kind of leadership and international partnerships.

I'm just going to lay out a couple of things at the beginning, and then my colleagues here are going to fill in on specific topics.

But the first -- and this may seem like a kind of simplistic thing that should be obvious, but it's really important -- is for the President of the United States, early on, by March, to go to the United Nations -- and I'm specifically saying "to the United Nations" as a symbolic gesture and using that as a forum -- and to lay out an agenda of international cooperation, to reinforce that the United States is committed to the rule of law; that we will not flirt with the concept of torture nor commit torture; that we will invest in international institutions and expand representation in those institutions; that, in the midst of this international economic crisis, we will retain a focus on the poor, which constitute the majority throughout the world; that we are committed to move toward legally binding solutions on climate change, even if it takes us time to get there; that on the nuclear issues, we understand that there's a relationship between disarmament, civilian nuclear power, and nonproliferation; and that we are committed to

force, with others, sustainable solutions that can apply to the Middle East and South Asia.

In that speech, the President of the United States cannot give all of the answers, but he will send a signal to the international community that, first of all, the campaign promises are remembered, that we are going to move on them, and that we are going to have a systematic agenda to actually produce action and success.

A second critical thing is going to be to have to deal with, and give guidance to, the issue of a G8, or G20, or a G13. And this may seem, you know, one of these questions of "Why bother? Isn't this a bureaucratic questions?"

The G20 Summit last November illustrated that you cannot solve the world's major economic and financial problems with just the G8. The problems are too diffuse, power is too diffuse. You cannot deal with climate change, for example, without India and China at the table. You can't deal with the nuclear questions without involving Russia and India in serious dialogue.

The actors that you need to produce results have changed. And if you can't get the actors involved in a systematic and consistent way in the dialogue, you cannot come up with outcomes that are going to be sustainable over time.

And, if over the next six months, the principal debate is, “Is the meeting going to be at 8, or 13, or 14 or 16?” all of the attention that should be focused on “What should they do?” will be transformed into a loss of political energy into a debate over the numbers.

And so, undesirable as it might be, there’s going to be an imperative -- I think in the first month of this administration -- to come to an understanding of what that “G” grouping should be. And what I would propose is that you start with the G8, you add the five that have been included in the margins of previous meetings -- for example, China, India, Mexico, Brazil and South Africa -- and that there is an addition of a major Muslim country.

That is not the final solution. Perhaps it may evolve in to the future, but it’s a base. And it’s a base that’s better than we have today. And if you can get that group meeting to plan what’s going to happen into the future, it will be progress.

The third issue that I will mention -- and I would guess is that it’s probably -- this may be one of the few places, on various meetings, on transition issues where people are going to mention this -- is that attention needs to be given to management issues.

Usually the management issues are tossed aside, and everybody focuses on the core policy agenda. But we’ve got the mother of all matrix management problems here that has developed. Because

not only are each of those individual issues complex, but their interrelationship are complex, and there are wheels within wheels within the State Department, within Defense, within USAID, within Treasury, how they all interlink together. And then go back to where we started from -- no nation can resolve this alone. It has to be tied up with other countries.

And so how do you manage this kind of an agenda?

And even within the State Department there are going to be challenges that have to be faced. The nuclear issue is in one place, the climate change issue is in another place. The economics issues are in another place. Terrorism issues are handled in another part. Conflict issues are handled somewhere else. The State Department itself will have a challenge of figuring out how to coordinate these issues.

We have suggestions on how some of those steps -- some steps can be taken. But let me just throw out the problem here right now.

And then the final piece that I just want to tee-up at the beginning is on climate change.

My colleague Charlie Ebinger -- I don't know Bill and Phyllis are here -- had an event on energy and climate change issues that took place back in November. The reason I want to come back to it is this.

There's an expectation on the part of the international community that by December, in Copenhagen, a solution on a post-Kyoto climate change framework will be reached. And in order to get there, the

United States has to be part of that process, because we are the largest per capita emitter. And what we've learned over time is that in order to solve the climate change problem in a convincing and sustainable way, you have to put a price on carbon. Because that not only affects the way that we emit carbon, it has an impact on investments in technology and energy efficiency that are critical for a sustainable solution.

And what happens when you put a price on carbon? Well, it has an impact on competitiveness in the coal sector, aluminum, steel, automobiles. And how many politicians, over the next six to nine months, are going to raise their hands and say, "You know, for the good of the future, we're going to actually do things that slow down economic growth in the middle of a recession to be able to deal with these problems."

And if we can't come up with a credible U.S. position, it's impossible to come up with a credible international position. And the worst-case scenario, I would venture, is for the United States to go to Copenhagen, to commit to an international agenda, and then come back and do what happened in Kyoto all over again, and we can't pass it with the U.S. Senate. Talk about losing American credibility early on. That will destroy the reputation of this administration as an administration that is able to act in concert with the international community.

Okay -- so the solution is going to have to involve a very realistic understanding of what that climate change agenda is going to be,

and how we work it with the rest of the international community. And, again, we'll come back to that in the question and answer period.

So let me frame that up as some of the critical issues that we have to face -- on the agenda, on the management question, and some of the very tough choices that are going to be facing us. And then I'm going to keep adding to that tough agenda by turning to Bruce Riedel, and letting him take us to some of the critical issues that are facing us on the war on terror -- if you even want to use that term, "war on terror."

MR. RIEDEL: Thank you, Carlos. And thank you for your very kind remarks.

As Carlos has indicated, and as all of you here are evidence of, this is the season of transition memos to the President-elect -- some of which he solicits from his own staff, but many of which are unsolicited from the outside world.

Well, yesterday he got the transition memo of all transition memos, unsolicited from Osama bin Laden. In a 22-minute audio tape, Osama bin Laden declared war on Barack Hussein Obama and on his administration. To be a little bit more precise, what he declared is a continuation of the current existing global jihadist insurgency against the United States.

Now, Osama bin Laden noted that it is now seven years since the war began, on September 11th, 2001, and he said that Al Qaeda

and its allies and friends in the global jihad are prepared to continue for another seven, and another seven, and another seven after that.

His message to his follows was simple: “We’re winning. We’re doing really well. The odds are on our side.” The evidence he points to? The global economic meltdown. And he cites a number of global statesmen to make his point -- including President Sarkozy, who called the current global meltdown, “The worst economic crisis we have faced in generations.” He quotes Senator Biden as saying this could be worse than the depression of the 1930s. And others. He even cites the new National Intelligence Estimate, from the National Intelligence Council, which argues that over the course of the next 25 years we will see a perceptible decline in American influence and strength around the world.

Osama bin Laden has some right -- you have to give it to him -- to crow about this, that he did, two years ago, in an audio tape then, predict that the housing mortgage balloon in the United States would lead to an economic crisis. When that tape came out, the Wall Street Journal and a lot of other people had a good time making fun of Mr. bin Laden, saying, “Well, now he thinks he’s a real estate manager.”

I advise you to go back and take another look at it. It’s not so funny to read today as it was then.

Bin Laden notes, in his message yesterday, that the cost of “the two bleeding wars” -- his references to our war in Iraq Afghanistan --

has been staggering, in the trillions of dollars. And then he says, “The good news for us is jihad is cheap. All we need is one important backer to give us a little bit of money, and we can continue to fight this war indefinitely.”

He then poses the rhetorical question -- the question is -- quote—“Can the United States persist in the war against us for the coming decades? The reports and signs herald the exact opposite of that.” He cites public opinion polls that show a majority of Americans now believe the war in Iraq was a mistake and want to get out, and other polls with trends against continuing the war in Afghanistan, as well.

This note of triumphalism in Al Qaeda is in marked contrast to their initial response to the election of Barack Hussein Obama back in November. If you go back to the early days of November, Al Qaeda was caught on the back foot. And it was very clear that Al Qaeda saw the election of a man with the middle name “Hussein” as a serious threat to their brand name. And they came out with their first response, which showed just how back-footed they had been caught, when bin Laden’s number two, Ayman al-Zawahiri, quoted Malcolm X as arguing that Barack Hussein Obama was a “house Negro.”

This didn’t go down very well in the United States, and it didn’t go down very well in the Islamic community either.

What changed? Why does Al Qaeda today feel so triumphalist about something which it was very much worried about only two months ago? I'd suggest two things were very important to the change in mood in the Al Qaeda leadership.

First of all was the attack in Mumbai. The attack in Mumbai by an Al Qaeda, Lashkar-e-Taiba, was vintage Al Qaeda global jihad mission. It had the targets of the global jihad -- Americans, Israelis and Indians. It was the tactics of the global jihad -- simultaneous attacks on multiple targets all at the same time.

It succeeded, I think, probably beyond the expectations even of its masterminds in holding the entire world in thrall for 72 hours. The goal of a terrorist incident is to terrorize people. And if CNN and Fox and BBC assist you in terrorizing the entire globe, then you have really achieved your goal.

For Al Qaeda and its allies, as well, the attack in Mumbai had several other benefits. Number one, it weakened the new Zardari government in Pakistan -- a government which Al Qaeda and its allies very much want to see fail. It brought the India and Pakistan peace process to a halt, and there's no sign that that's going to be revived. And it diverted Pakistani military attention from the West back to the East, focusing on India.

This crisis, from their perspective, is also very useful because it's still unfolding. There remains a prospect of conflict between India and Pakistan -- something that Al Qaeda and Lashkar-e-Taiba and others would love to see actually occur.

The second thing that came to the rescue of Al Qaeda is the Gaza war. Al Qaeda has called the Gaza war "Obama's gift to Palestine," in an attempt to slur Obama with responsibility for the war in Gaza. But, in fact the Gaza is Ehud Barak's unintentional gift to Al Qaeda -- and a gift that is likely to keep on giving for a long time to come.

From the standpoint of the global jihad, the best imagery in the world, on the 20th of January 2009, is imagery of American-built F-16 jets pounding Gaza with the Israeli Air Force. That imagery, for them, is priceless. The image of a million-and-a-half Gazans under siege by Israel, and by American-made Israeli weapons is something that Al Qaeda in its greatest wish-list could not have hoped for.

Gaza, from Al Qaeda's perspective, is not change you can believe in in American foreign policy towards the Islamic world, it's the same old Zionist-Crusader alliance, once again working against the ouma -- the Islamic community. In his memo to the President yesterday, Osama bin Laden went a step further and said, "The collapse of the American economy is the harbinger of the end of Israel. Because once the American economy is gone, Israel will not be able to survive."

Al Qaeda's confidence, of course, flows from one other factor as well, which is that barring a miracle, on the 20th of January of 2009, Osama bin Laden and Ayman al-Zawahiri will still be actively involved in leading the global jihad, and George Bush and Dick Cheney will be looking for work elsewhere.

From their standpoint, it has been a mixed record over the last seven years. Of course, they failed to accomplish one goal -- attacking the American homeland again. Although they came perilously close to doing that in August of 2006, when they almost simultaneously blew up 10 jumbo-jets en route to the North Atlantic -- across the North Atlantic to the United States of America and to Canada.

Some of Al Qaeda's franchises around the world have not fared very well over the last seven years. The one in Indonesia is probably the best example. That jihad has pretty much fizzled out. The one in Saudi Arabia, after a spectacular burst, has also fizzled out for now.

But from Al Qaeda's standpoint, others are still doing quite well. Somalia is a place where growth looks to be good for jihadism, Yemen, the Maghreb. They take a lot of confidence in Iraq, even though Al Qaeda in Iraq has been dealt serious setbacks, because they note that their goal, the withdrawal of American forces, is now going to be accomplished. Of course, from their standpoint, the most important place

is South Asia, where the Al Qaeda jihad has flourished from its beginning and where today it is doing better than ever.

So what needs to be done?

What the United States needs in order to counter the threat of Al Qaeda and global jihadism is an integrated grand strategy. Carlos has been very nice to already plug my book for me, but I'll plug it again shamelessly, and argue that the last chapter lays out a strategy of various components that try to bring together all the parts of American power and those of our allies -- not just military, not just intelligence, not just law enforcement, but military, economic and political and diplomatic power, in order to undercut the narrative and the message of Al Qaeda.

Most of all what I recommend, and what I think that the Managing Global Instability Project also recommends, is getting back to the business of preventive diplomacy and conflict resolution, not just conflict management.

And there are two obvious places for the next administration to start. One's already burning, and that's Gaza and the entire Arab-Israeli problem -- And we can talk in question-and-answers about what might be done on that front. And secondly, of course, is the question of Pakistan and Pakistan's unsettled borders with its neighbors to the east and to the west.

Thank you.

MR. PASCUAL: Bruce, thanks. It was outstanding.

And, again, one of the things that comes out of that is that as you go through the analysis of the problem, one gets a sense of how terrorists, how Al Qaeda is using quite modern mechanisms in order to advance its terrorist agenda. And that in order to combat that, it's going to require a different way of thinking about these issues that takes into account the decentralized nature of Al Qaeda, the modernism of some of these mechanisms, and a recognition that you've got to cut across all of those fields. It's not just military, it's not just law enforcement. It's also diplomatic, it's also political, it's also economic.

And it reinforces, in a sense, the challenge or the problem we were starting out with, which is that you can't fix this in one office in the State Department. Unless you have a comprehensive strategy that makes your foreign policy look at the world this way, you can't actually succeed.

MR. RIEDEL: Right.

MR. PASCUAL: And, you know, we'll take that as a crossing over to the nuclear agenda. And, of course, you know, everybody's worst nightmare is a terrorist organization or group getting its hands on sufficient nuclear material to either construct a bomb or even a dirty bomb. And it reinforces the importance of the nonproliferation agenda.

Mike, let me turn to you to lay out what some of the key issues are that are in front of us right now.

MR. O'HANLON: Thanks, Carlos and Bruce and all of you. I'm going to make your heads spin a little, shifting from Al Qaeda to nuclear arms control and nonproliferation issues. But Carlos has done a nice job of explaining how all these issues at some level are linked, and relevant to the new Obama foreign policy.

And a quick note. I'm sure Carlos and all of our colleagues here join me in wishing our dear friend Susan Rice well, who's having her confirmation hearing right now. That's not an invitation for any of you to leave and go watch.

(Laughter)

I'm sure it's oversubscribed and you can't get in anyway, and it will be re-broadcast on C-SPAN, I'm sure, tonight. But we wish her well.

MR. PASCUAL: Susan would want you here.

(Laughter)

MR. O'HANLON: Exactly.

And I also want to plug the book that Carlos and Bruce and Steve Stedman have coming out. And let me just say, as someone who was lucky enough to read it in draft, that there are a number of things this book does very well, but if I could summarize in terms of two categories, there's a great future policy agenda for dealing with many of the issues we're addressing today.

There's also, before that, a very clear explanation of what all these different mechanisms that are out there try to accomplish, and how they relate to each other. And I don't know about you, but even though this is my business, I sometimes get confused about which summit is supposed to do what, with which group, as a result of which initiative. And for those of you whose heads spin when you try to get your arms around that, this is about as clear an explanation of how to understand those pieces, and then how to build on them, as you're going to find.

So I'd like to heartily recommend that book. It's also at a readable length, which is one more virtue that we always appreciate here.

And so --

MR. PASCUAL: The first hard copies are out January 21st. They'll be soon available on Amazon.com and in your bookstores shortly afterwards.

(Laughter)

MR. O'HANLON: It's probably today on Amazon.com. But it is better to wait for the day of, because then we get a big boost, and we see their ratings skyrocket, we hope, on the list.

So let me talk about nuclear issues. And there are, of course, a number of ways to do this, and a number of dimensions to the problem. Carlos mentioned that Charlie and other members of our energy initiative are here today. I'm not going to talk about energy, nuclear power

so much as an energy source, but I'm going to begin with the premise that it will continue to be an important, and probably growing, part of the global energy portfolio.

In any event, nuclear technology is all over the world, and it will continue to be. That's a premise that we're going to have to accept and deal with in our nonproliferation agenda.

We obviously have huge challenges. And if I were to identify one that I think is as hard as any for President-elect Obama to deal with, it would be Iran's future as a likely nuclear weapons state during his presidency. At least I would say that's where the trajectory is headed now.

I would also identify the likelihood of North Korea increasingly becoming an entrenched de fact nuclear weapons state as another likely prognostication of the next eight years.

And those are just two of the troubling things. And the most troubling of all is what Bruce Riedel and others discuss which is, of course, the potential for instability in South Asia, and specifically in Pakistan, a nuclear-armed state with a lot of internal issues of stability.

And so I don't pretend that there is any neat set of packaged solutions or policy proposals that's going to comprehensively address all of that simultaneously.

But what I want to talk about specifically is how American nuclear force posture and nuclear weapons decisions -- largely about its own arsenal and its own policy -- will affect and potentially influence these other kinds of crisis-management issues. And then if you want to talk specific cases, like Iran, North Korea, Pakistan or others, we can do that in the discussion period as you wish.

But I want to really just mention three main issues. Or actually four.

One is nuclear testing, and how we should think about the Comprehensive Test Ban Treaty which, as you know, was signed a dozen years ago but never ratified by the U.S. Senate. And now that the Democrats have a fair amount of muscle and momentum, there's good reason to think that that treaty will at least be considered for ratification. But there's a lot of issues that go along with that that I'll get to in just a moment.

A second issue is how big should the U.S. nuclear arsenal be? And specifically, in addition to its size, how should we think about arms control? How formal should arms control be, and how multilateral should it be as we think about offensive force reductions. That's a second point.

A third point is missile defense -- and specifically with the most intriguing aspect of that in the next couple of years likely to be how

we handled Poland the Czech Republic, and the proposed mid-course interceptor base there, with all the ramifications for U.S.-Russia relations.

And then, finally, the matter of U.S. nuclear doctrine, and the nuclear "umbrella," as we've thought of it in the past, especially as Iran moves towards a nuclear capability. Whether it's explicit or implicit, whether it's clear or not, most of the region in the Middle East believes Iran's headed that way. Most strategists here believe it's headed that way.

And that raises the question of how do you make Saudi Arabia and Turkey and other key regional states feel secure enough that even as Mr. Obama joins George Shultz, Henry Kissinger, Sam Nunn and Bill Perry in aspiring to a nuclear-free world, that in the short-term he makes countries feel secure enough about the dependability of our commitment that they won't feel the need to build their own nuclear arsenal.

So those are the four issues. Let me say a word, really on each. And I'm not going to go into huge detail on any of them because there's so much more to discuss, and I'll look forward to the conversation with you, if you want to get details, in a few minutes.

But on the issue, first of nuclear testing. Let me point out that the best way, I think, to frame the difficulty of this problem is first to go back to the late 1990s Senate vote on the Comprehensive Test Ban

Treaty ratification proposal. It was voted down, as you'll recall. Only four Republican Senators voted for it. And a lot of Republican moderates -- some of whom are still in the Senate, many of whom have had a very distinguished career in American foreign policy -- were opposed to this treaty, either because they thought it was unverifiable, or because they were worried about the long-term future of the U.S. nuclear arsenal -- without testing.

And just two -- I guess, two-and-a-half months ago, just before the Presidential election, Secretary Gates spoke next door at Carnegie. And he said, in discussing the future of the U.S. nuclear arsenal, if we're going to have continued reductions in the size of that arsenal, we'd have to do one of two things: test or modernize.

Arms controllers don't like either of those choices. What it means to "modernize" is an open question. And we can get into considerable detail on that. And there's debate about whether we really need to do one of these two things, or whether Gates has been, perhaps, somewhat misinformed by his advisors, and needs to be aware of the fact that some of our technicians and scientists in the weapons labs believe that our arsenal is actually going to be just fine for 50, 60, 80 years without testing -- or modernization, for that matter.

But I still would put on the table the notion that in order to firm up support here in the United States for the idea of permanently

ending nuclear testing -- forever -- that we do need to consider, in fact, broadening our nuclear arsenal and the portfolio of weapons we have within it, to include some simpler designs which are somewhat less optimized for performance than the warheads that we built in the latter Cold War years, and which now comprise the entirety of our arsenal, and the performance of which can be more subject to doubt as time goes on and the components age.

It's a big question. There's a lot of technical detail to this. I've been in frequent conversations with people like Richard Garwin and others -- not all of whom fully share my interpretation of the challenge her. Garwin specifically, in an article on arms control today, in December, talked about his growing confidence -- which he did not have to the same extent 15 or 20 years ago -- that the arsenal would actually do very well without testing or modernization for a very long period.

But I actually would propose that we consider introducing, not right away, but within five, 10, 15 years, at least a modest number of simpler designs, to make sure that we can essentially ensure a deterrent, and make sure that we would have some warheads that, as long as we might need them, would make the countries like Saudi Arabia and Turkey, states like South Korea, friends like Taiwan, secure enough that if there ever really were a need for some kind of American nuclear deterrent, that

they would benefit from that, and that they wouldn't need to consider building their own arsenal.

Now, it may be that we make fast enough progress towards global-zero and nuclear abolition that we actually don't need to build very many of these things, or that we can actually interrupt the process as we go along, and go to a world without actively deployed, or even actively built and assembled nuclear warheads. But I think it's likely to take a little longer for that process to play out than the five to 10, to 15 years time horizon that I would envision we have to focus on for the nuclear arsenal, and for shoring up this consensus for the Comprehensive Test Ban Treaty, which I think has to happen in the next 12 to 18 months.

And I'll just say one more word. I realize I'm throwing a lot of material at you, but next year there is a review of the Nonproliferation Treaty. This happens every five years. And there are a lot of people who believe very strongly that we would do much better if we go into that review conference with an American ratification of the Comprehensive Test Ban Treaty, and that we'd also do better in dealing with pressuring North Korea and Iran if we had ratification of an American Test Ban Treaty. And also that we might be able to even help India and Pakistan move down the road towards some degree of control over their own arsenals if we were to give some momentum to this Comprehensive Nuclear Test Ban Treaty -- because it might e one of the things India and

Pakistan can do, even if they do not join the Nonproliferation Treaty, as they're virtually certain not to do.

Okay. That's the issue one.

Let me speed up a little on issues two, three and four.

MR. PASCUAL: Mike, in fact, if I can ask you to do that because, in fact, in many ways you've tied many of the pieces together. But I think if you could sort of say, okay, well how does that come back to the numbers question? And then we can come back to some of the others more in Q&A.

MR. O'HANLON: Yes, I think that's a good idea. Because there's so much to say on each of these.

And let me just now tick off the bullet points for two, three and four.

I think once you begin with that basic framework of preserving a reliable, but modest and less optimized, less high-performance U.S. nuclear arsenal, the logic of some of these other things is actually easy to explain anyway. So hopefully I can do it quickly.

I think the notion of going down to roughly a thousand nuclear warheads is -- counting everything, counting all tactical, strategic and non-deployed warheads -- is a very reasonable goal for an Obama administration. I think it would be easier if the Chinese would at least agree, in the meantime, not to greatly expand their arsenal, because

otherwise we get into issues of do you have to have three parties in these talks. And the Russians may not want to go to a thousand themselves, but we have to at least ask them to continue on a downward trajectory. We can try formal bilateral arms control, which is the best solution. But I actually would encourage the Obama administration to think about things it can do unilaterally, in the spirit of George H.W. Bush, that would continue to reduce the size of our overall arsenal -- even as Russia is likely to want to hold on to a bit more in the way of weaponry than it really needs or should want. And if we wait for Russia to be ready to go along with us, I'm afraid we're actually going to have a very unproductive four or eight years.

So I would encourage some unilateral thinking to go along with -- setting out a goal of 1,000 warheads. And let me just put that on the table briefly.

On the missile defense question, here I think the key issue is not to give Russia a veto over the ultimate deployment of American missile defenses in Poland and the Czech Republic, but also to realize that how we do this matters a lot. The pace at which we do it matters a lot. Our willingness to talk with Russia about involving them at some level matters a lot. Even if you believe, as I do, that in the end the Russians are not really all that sincere about finding a cooperative solution, I think the effort of trying to show that we are willing to go down that road will be

helpful in managing the fallout of whatever deployment we ultimately may consider, as Iranian missile capabilities make the Poland and Czech central Europe site more important in the coming years.

So the main point on missile defense in central Europe is to slow it down, to make it clear that we are going to do it some day -- at least we expect we'll need to, given the trends in Iran and its nuclear capabilities and its missile capabilities -- but we don't have to be in a hurry. And we want to involve as many voices as possible in thinking about the architecture, and even the management of that capability.

And, finally, on my last point, on doctrine and the nuclear umbrella, I've already said enough about this in explaining my views on nuclear testing. Simply to conclude by reminding you that I do think we have to worry, as we try to go down in numbers, down in capability and down in size, potentially towards global-zero, in the meantime we cannot afford to weaken our commitment to the security of key allies around the world. Nuclear forces are typically not the most important part of that commitment, and hopefully would never need to be involved in the defense of any ally, by we have to manage people's own views about their own security.

And it's intriguing to note that Hillary Clinton, building perhaps on an idea that Martin Indyk wrote about here at Brookings a year, year-and-a-half ago, endorsed, during her Presidential campaign,

the notion of firming up our nuclear umbrella, so to speak, over some of the Gulf States, in the even that Iran continues down its nuclear path. And there's no reason why we can't do that at the same time that we move towards lower numbers and, ultimately, a lesser reliance on nuclear deterrence over the longer term.

So it's going to be an intriguing one to watch, just how we handle this, and can we really explain to the world how we're going towards global-zero, which is what Obama's endorsed, and yet toughening up our nuclear commitments and firming up our nuclear umbrella towards countries like Saudi Arabia at the same time. My guess is, though, that if Obama and Clinton are as good as I think they are, they may be able to pull that one off.

Thanks, Carlos.

MR. PASCUAL: Mike, that's great.

And indeed -- I mean, here we go from now, sort of nuclear concepts and war that is based on nuclear capabilities to the other part of an international security which is just as real and, in fact, has actually been the toughest part of the security and defense agenda for the United States over the past 10 years, which has been the question of conflict. And that's been related to Iraq and Afghanistan, obviously, where we've been directly involved. And then, you know, fortunately for the United

States, places where we may not have been directly involved, but maybe unfortunately for those countries that we haven't.

So, Bruce, if you can highlight what's -- how to think about these issues of internal conflict, why they matter to us, and what some of the solutions have to be.

MR. JONES: Thank you very much.

I have to say it's a bit daunting to talk about conflict on a panel with Bruce Riedel, Michael O'Hanlon and Carlos Pascual. The advantage is that I can be brief.

And I think the incoming administration is going to confront a number of significant challenges on the conflict agenda literally from day one. And specifically they'll confront two large sets of interlinked regional conflicts, and a third set of smaller but strategically significant conflicts, and the need for substantial investments in both national and international capacity to deal with them.

First, and centrally, they're going to confront a suite of conflicts that runs across the entire context of the broader Middle East and into Central Asia. Starting in western Pakistan, coming through Afghanistan, through Iraq, into Syria and Lebanon, and then down into the Israeli-Palestinian context, all the way to the Gaza-Egypt border.

Despite improvements in the situation in Iraq -- albeit, I would argue, fragile improvements -- the United States and its allies are in

what I think could be fairly characterized as an extremely deep hole in the broader Middle East. But it's a region that has the substantial potential to get substantially worse. Either we're -- as Bruce talked about, were we to face the situation in Pakistan, the situation in Pakistan would get worse, or as Mike referred to, the situation Iran, were that to get more difficult or, God forbid, both. Plus, as Bruce has already talked about, the situation in Gaza is, as we speak, making this substantially more complicated, both for the reasons that Bruce Riedel talked about in terms of global jihad but also, I would argue, because it is amplifying the already chasm-like gulf between the stabilized, stabilizing Arab governments and their populations -- so much so that I would argue that we'd have to add to the conflict agenda in the broader Middle East the question of political stability in Egypt, not just in the long term, which is already a question, but I would argue now in the medium term.

Second, the administration will confront a suite of conflicts in Darfur and the Horn of Africa, ranging from eastern D.R. Congo on the western border of that region, all the way to Somalia in the east. And while the direct U.S. interests, and the direct threats to the United States from that region are obviously significantly less from the broader Middle East, there are nonetheless the case that there are significant U.S. interests in that region, and significant U.S. equity, and it's worth saying

the U.S. has a significant role if those situations are going to in any way improve.

And that's not to even touch on the immense, immense humanitarian and human rights issues that are alive in that region.

Third, of a very different order, there are unresolved issues in Bosnia, unfinished business in Kosovo, and a festering problem in Georgia -- which are linked diplomatically by the question of Russia and, I would argue, also by what I think are growing divides within Europe over the question of how to deal with Russia in the European space -- issues that will complicate many of the issues that Mike was talking about, as well as some of the issues that Bruce Riedel was talking about earlier.

To deal with any given conflict you need strategy, you need tools, and you need resources. And in the modern era, you need them both at the national level and you need them at the international level.

The Bush Administration, I think, substantially under invested in national tools for conflict management, especially on the civilian side, until quite late in the second term. And late in the second term, I think, took a significant course correction, and has put the United States on a better path in terms of investing in civilian tools for conflict management and preventive diplomacy. But there's an enormous amount of work to do to carry that work to fruition, and to give the United States

the suite of tools, across the range of instruments, that it's going to need to be able to manage conflict.

I would say that the Bush Administration also ended its tenure by recognizing -- if it never shifted its rhetoric, but at least recognizing internally -- that there is no conflict in the world where U.S. policy is not at least partially dependent and, in some cases, extremely, heavily dependent, on the performance of some set of international institutions.

In the broader Middle East, the U.N. [sic] works with and relies on U.N. political mechanisms, as well as NATO and U.N. mechanisms and U.N. humanitarian mechanisms. In the African context, U.S. policy relies upon African Union political and peacekeeping mechanisms to a certain extent, and hugely on U.N. peacekeeping and humanitarian operations.

In Europe, U.S. policy is influenced by and partially dependent on EU diplomatic mechanisms and the NATO strategic context.

I think it's fair to say that the U.S. has under invested in the question of international conflict management mechanisms since long before the Bush Administration. This has been a recurrent weakness in U.S. policy since the end of the Cold War. And the Obama Administration I think will confront the challenge that on the one hand it relies on the performance of key international institutional mechanisms for dealing with

conflict, and on the other hand, those mechanisms are too weak and overstretched.

And so it will face the challenge of trying to build up and invest in those mechanisms precisely at the same time it's trying to use them to deal with some of the most complex sets of conflicts that we've ever confronted -- a challenge that has been likened to building an airplane while simultaneously flying it. I actually think it would be more apt to describe it as building an entire air force while simultaneously flying one of the planes involved. And that's going to be a daunting agenda.

I fear that we're about to get off on that agenda on the wrong foot. Because this weekend the parting gift of the Bush Administration to the incoming Democratic administration, will be a new peacekeeping operation for Somalia, which the Administration will ram down the throats of a reluctant Security Council on Saturday or Sunday. And I think, if I remember my history correctly, we've been here before, with not particularly appetizing results.

Well, I conclude by saying there's good news, bad news and good news on this agenda.

The good news is there are a lot of other people who can help. The UK have an initiative on building up capacity for early rapid response to conflict. The Danish and the Norwegian governments have initiatives in building up civilian capacities for response to conflict at the

U.N. and in the European Union. There are a host of other actors out there who could help build this suite of tools that we're going to need to deal with these conflicts, and who can play direct roles in Sudan, in the Middle East, and a whole host of situations.

It will however, in my estimation, take American diplomacy and American policy to pull that suite of initiatives into anything remotely resembling a coherent plan for deepening our capacity.

The bad news is that getting the Europeans and traditional allies on the same page on this isn't enough. There are a whole host of other key actors who would have to be brought on board who are playing critical roles. Brazil is leading the effort in Haiti. India is the second largest contributor to UN peacekeeping operations, and plays cortical roles in places like Lebanon and Sudan.

There are a whole host of countries that have to be brought along, on board, on this agenda. But the good news there -- and I'll end on this point -- is there is actually a shared interest in seeing this work.

There are differences in interests around specific conflicts, but there is a shared interest in building a more effective set of systems to help manage civil conflict and international conflict of a range of types. And I think that American leadership on this issue -- and this one I would suggest is actual leadership -- will be met with substantial support, and probably substantial results.

MR. PASCUAL: Bruce, thanks.

Before I -- I'm going to just pose a quick question to all of you, but before, then, leaving you, let's go back to the Somali issue. Because in some ways there are lessons to be learned here about what to do and not to do in dealing with international conflict.

Some people may say, "Well, why is this a bad thing? Somalia's a mess, and it needs help. And the UN is a multilateral institution, and the Security Council is going to take it up. And somebody needs to bring stability to it." So, you know, it seems kind of a logical thing to me to try to do something there.

Explain to us what the problem is with this story.

MR. JONES: I think there are two issues here.

One is that peacekeeping tends to be misunderstood. People tend to think that peacekeeping is a tool that you use to bring conflict to an end. And that's actually quite wrong. That's rarely how peacekeeping is used successfully.

Usually what has been successful is you use diplomacy to bring conflict to an end, and you use peacekeeping to maintain stability after you've reached some sort of peace settlement. That's clearly not a viable option in Somalia right at the moment, because there has been no effective diplomacy for quite some time, and there is nothing remotely resembling a peace settlement.

If you were going to insert some set of international forces into an active conflict, then they need to be serious forces prepared to actually do serious fighting. Even then, as we know perfectly well, from Iraq and from Afghanistan, there are substantial difficulties.

A UN peacekeeping of the traditional variety is not the tool you use to do heavy-lift substantial fighting in a complex environment. The alternative would be a multinational force of some description. That would have to have U.S. participation. But there are substantial risks to that, as well.

What's the key missing ingredient in Somalia is concerted diplomatic energy, both inside Somalia and, critically, with its neighbors, to try to bring some degree of political, a calm political framework, into which you could then begin to provide some degree of more stable security functions through something like the peacekeeping presence.

But inserting a peacekeeping presence that's not capable of doing serious fighting into a situation where there isn't a peace to keep is just a recipe for disaster.

MR. PASCUAL: And then the potential impact of that is that you have failure, and people look at the United Nations and say, "See, the United Nations has failed. It's a useless organization."

MR. JONES: Exactly.

And it's worth saying on this, by the way, that under this administration, it's been interesting to note, despite the early rhetoric against the United Nations, against peacekeeping, against nation-building, UN peacekeeping has gone from around 20,000 soldiers in the field in 2000, to 110,000 personnel in the field now. It's the largest peacekeeping entity by far -- far exceeding NATO, the African Union, the European put together.

But the resources that we've put into the United Nations at the core of that, to manage those operations, are minuscule. And the unsurprising result is that those operations are under managed and underperforming.

MR. PASCUAL: But one of the things that is interesting as well, though, is if we look at the number of people who are losing their lives in violent conflict, it's radically decreased. And just to complete the picture, do you want to just say something about that?

MR. JONES: Yes, this is, I think, despite all the messy stories that we hear, if you look at the broad sweep, since 1992 there's been an 80 percent reduction in large-scale violent conflict, a 40 percent reduction in total war. And in 75 percent of the cases where wars have come to an end, a U.N. or other international peacekeeping operation has been deployed for a substantial period in that conflict.

So, despite all the messiness, and despite all the conflict we still see, there's been enormous decline in the levels of civil violence and the levels of war in the world, and peacekeeping has been an important part of that story.

MR. PASCUAL: Let me take that, Bruce, back to you, and South Asia, NATO summit -- Bruce, I think, has done a good job of underscoring the importance of the diplomatic portion of this.

How do you get the necessary injection of political strategy into that NATO process? Because so often we've ignored that part of it. It's almost easier to talk about troop numbers and troop strengths, sort of a tangible element to it.

But the politics is a mess. And Afghan politics are a mess. And Pakistani politics are a mess. And politics of the badlands of Pakistan are even more of a mess.

So how do you deal with this?

MR. RIEDEL: Right.

Well, it's going to be difficult. The Obama Administration has recognized -- and, belatedly, the Bush Administration has recognized -- that we under resourced the war in Afghanistan. We tried to fight it on the cheap, and we've gotten the predictable results.

And we're now on the road to probably doubling the number of American troops in Afghanistan within the next year or 18 months.

Secretary Gates has talked about sending 20,000, but if you look closely at it, those are only the combat troops. The enablers that will need to go with them will substantially increase that.

But the history of Afghanistan is pretty clear. The shelf-life of foreign military forces in Afghanistan can be measured in a number of years, certainly not in decades. If you don't believe me, just go ask anyone in Moscow or London how well foreign military forces do in Afghanistan.

So NATO's mission has to be to perhaps break the momentum of the Taliban by an increase in force, but then rapidly move to a more sophisticated political strategy that does a number of things.

One, increase the size of Afghan security forces, which should be a doable thing to do. We've done it before in other places.

But, two, look at a regional political resolution of the problems in Afghanistan and Pakistan, and an integrated approach that tries to deal with the grouping of issues that we have here -- Indo-Pakistan tensions, Afghan-Pakistan tensions. And I would argue, in the long run, if you deal with those issues, you will begin to fix the internal politics of Pakistan.

What has been Pakistan's endemic problem since independence is the civil-military relationship, which is all weak on the civil side, and too strong on the military side. As our colleague Steve Cohen

likes to put it, the Pakistani military insists that only it can run the country, but it can't run the country effectively.

What Pakistan needs is a civilian government that's strong enough to be able to do that.

NATO's challenge and America's challenge is to strengthen that civilian government. And one of the ways to do that is to help it with diplomacy. And I'll just use the Afghan line for a second.

The Afghan-Pakistan border, the Durand line, was drawn by a British diplomat in 1893 -- in fact, a man who'd never been to the Afghan-Pakistan border. He drew it from his residence in Calcutta at the time. That border has never been recognized by any Afghan government. Consequently, Pakistan doesn't have real buy-in to that border.

We want border security. We want Pakistan to exercise border control. I would suggest to you step number one might be to get a border. Once you have an agreed-upon border, then you might begin to start talking about border security.

Creative American diplomacy ought to be able to find a way to get Kabul and Islamabad to agree on a permanent international border between their two countries.

MR. PASCUAL: Bruce, what you laid out and also, obviously, the American force presence there -- and Mike, I'm going to ask

you to put on your hat in your other job of an analyst on Iraq, but obviously going to be contingent on what happens on the ground in Iraq and the capacity to actually do it.

Do you want to just say a couple words about how you think American withdrawals, or force presence in Iraq is going to look like, and how that might match up against the prospects for ongoing political stability there?

MR. O'HANLON: Thanks, Carlos.

I think there are two concepts that I'll emphasize come from my two traveling companions and writing partners, recent work on Iraq, Steve Biddle and Ken Pollack. And it helps frame this challenge that we continue to face in Iraq -- although I think things are so dramatically improved and likely to keep at this improved level if we can work with Iraqis to help hold things together.

The concept that Biddle likes to emphasize is that what we're doing now, increasingly, is peacekeeping. And what he means by that is not necessarily the exact same thing that Bruce was talking about a moment ago, but it's essentially enforcing some of the contracts between the Sons of Iraq and the government, making sure they're abided by on both ends. And also essentially being an insurance policy against potential Sunni-Shiia-Kurdish conflict. And there's a very important image you should bear in mind from last summer, when the Kurdish peshmerga

and the Iraqi security forces almost came to blows over some of the territorial disputes in the Green Line area up around Kirkuk, where the Kurds continue to want more of the land to be inside of Kurdistan. The Arab-dominated central government does not. There is no political mechanism that's yet been accepted by everyone for how to resolve this. The UN is trying to work on this problem.

As long as these sorts of issues remain, the peacekeeping role for the United States will be important. It's hard to say how many forces that requires. It's also hard to see this presence and this role in action day-to-day, because part of what it's doing is creating a psychological effect, but it should not be trivialized.

When Ken tends to emphasize -- and I can say this briefly because it builds on what Steve said -- Ken said, "Now it's all about politics in Iraq." It's not to say Al Qaeda defeated definitively. It's not to say Muqtada al Sadr is permanently in a cease-fire mode. But those kinds of trends, and those kinds of groups and organizations have been greatly weakened in a military, technical, battlefield sense.

The issue now is to prevent more standoffs -- or worse, like what we saw in August. And there are still three or four big issues that could lead to that, and there are three big elections in Iraq in 2009 -- starting with one in about two weeks -- that could be the catalyst.

Don't forget -- and Bruce and Bruce and Carlos all know more about this than I do -- elections are dangerous things. They're good, but they're dangerous, because they bring these issues to the fore, and they potentially produce winners and losers. And losers don't always like it and don't always accept it. So we have a lot of politics still to deal with in Iraq.

Just what this means for the troop draw-down, I don't know. But that's the main point I would leave you with. I don't know, and neither should President-elect Obama think he knows. We're going to have to retain some flexibility in the pace of the draw-down.

MR. PASCUAL: All right, let me bring in all of you in the audience and ask you if there are questions, comments you want to bring. And if I can ask you to be brief, and introduce yourself.

And I'll start with you, right here.

DR. CHAUDRI: I'm Dr. Dusard Chaudri with the Pakistan-American league. Very fascinating and very educative session. And everybody has made recommendations to the upcoming administration, anyway, what they should do.

MR. PASCUAL: If you can hold the mic a little bit closer to you.

DR. CHOWDRY: My question to Bruce, Bruce Riedel, is that if he has to advise Karzai and President of Pakistan, what advise he would

give them to win this losing war? What is something which they are not doing, and what is something they're supposed to do to succeed in achieving the common policy objective that USA, NATO and those people in the region.

MR. PASCUAL: Good question.

Let me just take a couple of other comments, actually. And if you can give the mic to Charlie right there.

MR. EBINGER: Charlie Ebinger, here at Brookings, the Director of the Energy Program.

One quick comment, and then a quick question.

Bruce, the thing I'm -- as one who was in the development business in Afghanistan before joining Brookings, I think we don't pay enough attention to the fact that essentially, in terms of institution capacity, we lost three generations of people in Afghanistan. Outside the expatriates that have come back, kept up their credentials, there's literally no one who can do anything.

You combine that with a dysfunctional aid program which has not worked -- I don't see what 30,000 troops are going to do to improve the lives of the average Afghan.

Then my question in an area you didn't touch on today, as the former Chairman of the Chemical and Biological Arms Control

Institute, I wonder to what extent you gentlemen believe that chemical and biological arms are going to be key issues on the Obama agenda?

MR. PASCUAL: And I'll take one more question, somewhere in the back. Over there.

SPEAKER: Jeff (inaudible) with the U.S. State Department.

If I was on the staff of Secretary Clinton -- Secretary-to-be Clinton -- my question would be how would you prioritize things? In other words, as you mentioned, the interrelated nature of all the problems you've discuss, is there a logic to which one you would tackle first? Would you tackle attempt a Middle East peace settlement first? Or would you attempt to go into South Asia and their regional political settlement there first? Or any other priorities you might have?

MR. PASCUAL: Very helpful to put that on the agenda.

Bruce, do you want to start with commenting on Afghanistan and Pakistan, and your advice to those leaders? Because in the end, obviously, a lot will depend on what they do.

MR. RIEDEL: Right.

I think the good news here is that President Karzai and President Zardari seem to have a relationship which is a positive one. Unlike General Musharraf and Karzai, who could barely stand to be in the same room with each other, these two gentlemen seem to understand that their fates are linked together.

Let me focus on President Zardari for a minute.

President Zardari is, of course, saddled with the nickname of "Mr. 10 percent" for the rest of his life. It's a reference to the statement that when his wife was Prime Minister twice, Mrs. Bhutto, every contract that was signed in Pakistan, he got at least a 10 percent cut. Many people argue that that's probably slander, he probably got 15 or 20 percent on every contract.

(Laughter)

The point is not that Asif Ali Zardari is the Thomas Jefferson of Pakistan. My point is much simpler. I think Mr. Zardari understands that the global jihad Frankenstein, which Pakistan helped to nourish and create, is indeed now a Frankenstein that threatens to hijack the Pakistani state.

And if you look at his rhetoric over the last several months, it's really remarkable. He has said terrorism is a cancer in Pakistan. He has said that India "is not our immortal enemy." And on the eve of the Mumbai bombings, he even said that Pakistan should move to adopt a policy of no-first-use of nuclear weapons -- which is a dramatic change in Pakistani policy.

So the question is: what can they do, and what can we do?

I would argue, in the case of Mr. Zardari, he ought to think about some of the issues that Michael O'Hanlon raised on the question of

nuclear diplomacy. It would be a very clever move for Pakistan to ratify the Comprehensive Nuclear Test Ban Treaty now. Steal a march on New Delhi. Steal a march on the Obama Administration. And get out there and do something which makes eminent sense for Pakistan to do.

On the broader issue of how do we help both of these countries, as I alluded to, we need to have a strategy that brings to bear all of the elements of American strength.

Let me just suggest two things that really would make a big difference.

In Afghanistan, we ought to be in the road construction business like crazy. We ought to be building highways in that country like we were in the Eisenhower administration. Because, as everyone has pointed out, where the road ends, the Taliban begins. Well, the logical response to that is: keep building roads everywhere.

It's important in this regard, as well. If we want to get Afghans to stop producing poppies, we have to give them something else to do. Heroin is easy to transport. You don't need a highway to transport heroin. If you're going to have wheat or other crops, you need a sophisticated infrastructure.

Highways are also important for another reason. Afghans do not build highways like the United States does. They do it through labor-intensive means, which will help undercut unemployment.

Pakistan. All of my Pakistani friends say the same thing to me. They would like to see more American assistance, but what they would really like to see is an end to textile quotas.

If you want to really defeat the global Islamic jihad in Pakistan, allow Pakistanis to produce more sweaters, more pants, and sell them in the United States. If every American bought a sweater built in Pakistan for Christmas next year, I can tell you we would do a significant blow to the forces of fanaticism in that country.

MR. PASCUAL: One thing I would say is that the Taliban is discovering what toll-booths mean, as well.

(Laughter)

MR. RIEDEL: That's true.

MR. PASCUAL: It's creating its own set of dynamics.

I don't know -- Bruce, we've written on the bio-threat issue. Mike, you've addressed both. If either one of you want to comment on -- I don't know if you have insights into the priority in the Obama Administration on chem and bio issues, but certainly you might highlight what some of the pending questions might be.

MR. RIEDEL: Well, let me just say on this -- I mean, let me draw on an analogy to the financial crisis.

One of the things that the Summit of Economic Powers in Washington, the G20 summit in November did was it made, finally, a

major political breakthrough on the question of reform of the membership to the IMF, and on the policies of the IMF in terms of their ability to have oversight on financial policy of the major economies -- right?

This is an agenda that has been on the table for a good 10 years. People have been nattering away at the edges of this for 10 years. It took the largest financial crisis since the Great Depression to get the institutional momentum and the political momentum to make the institutional shift.

If you carry that out to the biological sphere, that is not a picture that we want to paint. Do we want to wait until there is a major biological catastrophe before we invest in the necessary institution infrastructure to deal with rapid infectious disease response, bio-security, lab security, et cetera?

I don't know whether this will be a priority for the Administration. It's one of those issues that it's very easy to drop to the bottom of the agenda, because there are many, many, many other burning crises. But I think it would be wise for the Administration to find a way -- it doesn't have to be high on the President's personal agenda -- but to find a way to begin working with allies to think -- friends and allies -- to begin thinking about how to build up a more effective response mechanism and more effective preventive mechanisms around bio-security. Because we

don't want to have to do it after the first major biological security terrorist attack, or a major infectious disease outbreak.

MR. PASCUAL: Mike, do you want to pick up?

MR. O'HANLON: I'll say briefly that in terms of the issues I've discussed so far today, none of them need to be first-hundred-day obsessions for Mr. Obama, in my judgment.

On Iraq, you know, I don't really believe in the old statement, "Listen to the generals. Just let the generals decide." It's more complicated than that.

But the reality is, we do have a pretty good strategy right now. We pulled out six brigades from Iraq in 2008. We're on a downward trajectory as it is. And Mr. Obama can afford to let the very -- his most important job is actually who to replace Ambassador Crocker with. If he can get that part right, then he can afford not to worry too much about this for the first hundred days, in my judgment.

On nuclear issues -- he doesn't need to fund a reliable replacement warhead or anything else in his first budget. As I've argued before, I think he needs to allow this issue to be studied in his nuclear posture review, and the Pentagon's initial force review. So he can take a year on that.

On missile defense, the main thing is to get the message right, to Russia and our European friends and allies, that we will ultimately

do what's needed to help protect our allies, and we won't be deterred from that by anyone. But, at the same time, we want to be inclusive. We don't want to be in a rush. And we want to be as cooperative as possible in the basic approach. Just get that two-pronged message out and then, again, slow it down.

And offensive nuclear arms reductions would also follow from this nuclear posture review. So I think that's something where, again, he can -- he has to get involved in that thought process, but probably until this summer or fall, and it won't be done until next year. And that's okay.

MR. RIEDEL: This issue of priorities is a very challenging one, and there are indeed some questions where part of the strategy is to slow down. Like -- and I would argue missile defense is probably the best example of that. Sending a peacekeeping mission in Somalia another example of that.

But still there is this sort of overarching pressure, and this is part of the challenge right now is there are all of these crises that are out there, including what's happening in the Middle East and in Gaza; the prospects of what will develop in Iran. And it may not be a tomorrow-resolve issue, but you can't afford to ignore it.

You can't afford to ignore the Iraq issues, even though they're different strategies that employ with it. And the same with, obviously, Afghanistan and Pakistan.

There are major geopolitical challenges that are out there. How to think about Russia and, you know, is it a rising aggressiveness or, I would venture to say that in about six months Russia's going to find itself in a state of financial crisis much worse than anybody can imagine. And it's going to be a different kind of Russia.

But there's the Russia question. There's this rise of China. There's the India question. You know, these are major powers. How do we relate to them in the current world.

And then you have the big existential questions, like the nuclear issue, the climate change issue, the global financial crisis. And you may not necessarily need to fix everything tomorrow. You can't fix everything tomorrow.

But you can't just say that, you know, we're not going to pay attention to that for the first year. Because the reality is going to be the calendar is going to move, the realities are going to be there.

And so what it reinforces, in many ways, is the theme that we started out with is that you can't deal with this kind of international environment without international cooperation. You can't do it alone. And

you have to start recognizing that you need to bring in others to work on these problems with you.

As you start to do that, you have to -- you have to ask tactical questions. Can others lead on certain issues and provide a real founding on how to be able to deal with problems. So, Bruce mentioned, for example, the potential role of the UK on conflict issues. And working consciously with them, and saying, you know, "We need you to take more of a leadership role in these areas," and having that be a part of our strategy.

The other part of it is that if we're going to ask countries to be part of a strategy, and work with us on it, we're going to have to listen. And that's going to be a real issue in the Middle East, and how we work with our partners in the Middle East. It's not going to necessarily be acceptable to them for the United States to just dictate.

And so one of the things I would venture is different about the current international environment, you know, usually a set of advisors advising the President and the Secretary of State going in would say that, you know, "You've got to pick two or three things and focus on those, and get those things done."

The problem here is that you can't just put the other things in a box. And so if you don't find a way to lead with others, to find a way to share the burden with others -- and if you don't create the teams internally

to also start to decentralize and to create a capacity to deal with this on multiple levels, then you can't succeed.

I think President-elect Obama has implicitly understood that. And I think the kind of senior team that he has put in place reflects the recognition that there has to be a decentralized capacity. But translating that into a real decentralization of issues, effective management of those issues, and then being able to coordinate them back into an overall policy that makes sense -- wow, that's a really tough job, and it's a huge management burden that's there, that goes hand in hand with the complexity of the issues themselves.

MR. PASCUAL: Let's go back to another round of questions.

Over here.

MR. STERCHIO: Jeremy Sterchio.

Mike O'Hanlon, you said something that really caught my attention in your discussion. And I'll try to just bring that out and then let you fill in the details.

You said that you thought we're on the path for Iran to have nuclear weapons under an Obama Administration.

And I just want to step back and think about that in domestic political terms. Because oftentimes there are certain things here that are established political parameters that can be very disruptive of all the timing that we'd like to lay out on various agendas.

Now, you teased us at the end of your conversation about how Clinton and Obama will “balance” the nonproliferation agenda against the messages they send to allies on strength and that kind of thing.

But let me just say, like, if I were a Republican strategist, assuming that the air of bipartisanship doesn’t completely wash over traditional political divisions -- if I was a Republican strategist running in the mid-terms, or 2012, and Iran had obtained a nuclear weapon on the President’s watch, at the same time as he was talking about reducing our nuclear arsenal, I would look at that as a ripe opportunity to reestablish Republican credentials on national security, and hammer it as a political issue.

And this is something that, for all of our best intentions and careful planning, you know, obviously the Administration can’t afford to ignore.

So if you could just talk a little bit about that.

Thanks.

MR. PASCUAL: Good question.

Let me take one or two others.

All the way in the back. And then we’ll come to this person right here in the middle.

MR. YANG: Yang, with the Radio Free Asia.

My question is to Dr. O’Hanlon on the North Korea issue.

Do you expect any provocative action by North Korea in the early stage of the Obama Administration? And, in that case, what could be the best option for Obama to deal with that problem?

Thank you.

MR. PASCUAL: And then right here.

MR. SIMMONS: Hi, I'm Hadid Simmons. I'm with the American University Washington Semester for the spring.

My question is -- well, NATO is -- Dr. Jones spoke about NATO's current mission in relation to, you know, the Taliban. Now, I know the original mission of NATO was to manage American and Soviet relations.

What is, if any, the relationship of Russian affairs to Afghanistan and Pakistan relations and affairs? And how does the thought springing from possibly the Cold War affect this?

MR. PASCUAL: Okay.

Let me use that as a jumping point, then to come back to the panel and give them an opportunity to comment on the questions and say any final things that they might want to say in wrapping up.

And we'll just come back down this row. And so, Mike, why don't we just go ahead and start with you?

MR. O'HANLON: Thanks, Carlos. And there were two questions. And I hope my colleagues will feel free -- I'm sure they will -- to chime in, as well, with their thoughts.

Let me begin with North Korea.

My own view on this strategy, or this problem and what kind of strategy we should consider -- for awhile, and Mike Mochizuki and I wrote a book about this a few years ago -- is that we should consider a broader agenda with North Korea, recognizing that their economic malaise and catastrophe, as well as the human rights travesty that their country represents, the gulag that it maintains, these are huge problems that actually almost guarantee an ongoing set of crises in the future, unless we can begin to address the fundamentals.

I'm not saying we should turn down a nuclear deal if somehow we can get it on its own terms. But I am suggesting that when you focus just on the nuclear issue, you tend to be trying to treat a symptom of a failed state -- a failed state in a different sense from how we usually describe it, but nonetheless one that has a system that's not viable.

And so, in short, I believe what we need to try to do is convince North Korea to go down the path of Vietnam. And that's an oversimplification, and it begs a lot of questions about how you do that,

step by step, diplomatically. And I won't try to lay out a full strategy for you here.

But without laying that kind of vision out, and telling North Korea that we're happy to do things like quite a bit of economic cooperation should they be willing to take various steps of reducing their conventional military, opening up to the outside world gradually -- unless we can try to broaden the agenda that way, I'm relatively pessimistic about the future of the diplomatic process.

In today's paper there's discussion that North Korea wants to at least have diplomatic relations. I'd consider that. You know, I think there's no huge harm in that, because there's no huge reward in that for them. I would not be in the business of providing them unconditional rewards. But diplomatic recognition is something we give to most countries. And, frankly, when Madeline Albright's already visited Pyongyang as Secretary of State, when we've already had a fair amount of official diplomacy with North Korea under Republicans and Democrats, I'm not so sure the act of recognition is all that much of a travesty.

But I would not have any American Secretary of State or President directly engage in a substantial way with Kim Jong-il for a while, until there is actually something to talk about, some sense of potential progress, or some progress in diplomacy to codify by their meeting.

On the Iran issue, thank you for highlighting my fear. And because I'm hoping others will say more, I won't say too much.

But, you know, taking the North Korea example where, frankly -- and I'm not trying to be partisan, because I've been critical of Mr. Obama's thinking on Iraq quite a bit the last couple of years. But historically, North Korea had its big nuclear breakthroughs under Republican administrations. And maybe the Republicans are just better at playing defense on these sort of issues, or maybe Democrats missed an opportunity, but there was not any big political fallout for the Republicans from that fact, overall.

And so I'm not sure how much Obama would suffer if my prediction comes out to be true. But I think, you know, what Mr. Obama does need to avoid is giving the impression that his personalized style of diplomacy is going to be the panacea. And I think he's already walked us back a bit from that. He's not talking about diplomacy with Iran in the same sort of almost, you know, hyperventilating and excited terms that he was a year ago, where it seemed like simply getting away from George W. Bush's unilateralism and diffidence towards countries like Iran would itself represent a huge breakthrough. And that was what I termed "the Obama doctrine" and criticized a year ago publicly.

But I think Mr. Obama has recognized that the willingness to have more direct diplomacy may be a useful catalyst towards starting

something. It's not, by itself, an alternative strategy. And he needs to keep reminding people of that, and throwing cold water on expectations.

Because the likelihood is -- and I'll just finish on this point -- there's a lot of room for debate about proper strategies on Iran. I'm encouraged by what Stuart Levey's doing at Treasury on various kinds of sanctions policies, and limiting Iran's access to the international banking system and so forth.

There is hope. But the trajectory, as I see it now, is towards an Iranian nuclear weapon -- unless we can somehow alter that trajectory. And I think that's just a strategic reality.

MR. PASCUAL: On that cheerful note, Bruce, do you want to pick up?

MR. JONES: On Russia?

On the Russia-NATO-Afghanistan question, I would put it this way -- and obviously Bruce can reach right out and say much, much more about the Afghanistan (inaudible).

If you look across the issues in she broader Middle East -- and I would include Afghanistan in that sort of suite of issues -- Russia has roles to play. They can play constructive roles, but they can also play destructive roles, and they can play blocking roles -- as can China, as does India, as can others.

And so when you come to this question of strategy for managing these conflicts or for hopefully improving these conflicts, it seems to me that the Obama Administration is going to have to do a better job than has been done over the past -- well, seven years, until the Annapolis process in the Palestinian context in the Bush Administration, of bringing other nontraditional allies into the process of forging strategy for dealing with these situations.

You're not going to have a long-term strategy for dealing with Iran that doesn't in some way involve India. You're not going to have a long-term strategy for dealing with Iran that doesn't take into account Chinese and Russian equities and concerns. You're going to have to find a way to bring those actors into some sort of minimum consensus about how you're moving forward, or they will have the capacity to block significant progress.

There is no pathway that stops Iran from having a nuclear weapon that doesn't involve substantial cooperation with Russia, with China, with India. And there may be significant prices to pay for that. My own guess would be that those prices would be worth paying, depending on exactly what they are, if we could indeed stop Iran from getting a nuclear weapon. But there will be substantial prices, both on the diplomatic and other fronts.

But I say it to illustrate a broader phenomenon, and it cuts across many of the different issues that we've be looking at.

A number of powers on the world stage today -- we call them "emerging powers," but they're substantial powers -- they have blocking potential and they have constructive potential. And you either have them at the table and are working through with them a way to find at least a minimum consensus on pathways forward, or you're going to find that your policy is blocked or frustrated or fails. And those are the choices that confront us.

MR. PASCUAL: Bruce, thanks. And I know you have to catch an airplane, so if you end up getting up and walking out in the middle of any of us saying a final remark we won't take it as a negative point.

Bruce?

MR. RIEDEL: I'll just address two things very briefly.

The NATO mission -- the survival of the NATO alliance will now be determined in Kandahar. NATO's put its bet down that it can win this war. If it fails, NATO will revert to being a talk-shop that's very helpful to the economy of Brussels, but isn't going to have much more of an impact on the global stage.

In that regard, the selection of a new Secretary General for NATO -- current Secretary General Jaap de Hoop Scheffer has indicated

he's going to step down in July -- becomes one of the very important new positions that this administration ought to be thinking about. Of course, unlike picking his Secretary of State, Obama has to work with 25 other countries in selecting a new Secretary General. But that's going to be a critical appointment.

On the question of Iran, and Iran's nuclear weapons, the only thing I would add is that it's now clear from the New York Times -- but it was clear before that from other sources -- that Secretary Gates has taken a long and hard look at the military option, both the American military option and the Israeli military option. And he's concluded, I think quite wisely, that there is no really viable U.S. military option that solves the problem at an acceptable price. And there's no viable Israeli military option that solves the problem at an acceptable price.

Even if the Iranian nuclear facilities were bombed, there's every reason to believe Iran would just start building them again, this time in a more clandestine fashion, and probably on a faster pace.

The alternative is diplomacy and engagement. This is a strategy which President-elect Obama has indicated he's going to pursue, and a strategy which I think is certainly worth the effort.

But we also need to start thinking about a fallback position. What if we can't keep Iran from acquiring nuclear weapons? Or if Iran gets to the stage where they have done everything except screw the last

screw in the nuclear weapon, and they have a de facto nuclear program -- and here, I would get back to a point that Mike raised earlier, which is the idea of an American nuclear guarantee, or guarantor for Israel, Saudi Arabia and other states in the region.

This idea actually -- I know Martin would like to claim credit for it, and I'm happy to continue the image that he did -- but the idea actually came from Ehud Barak at Camp David in 2000. At first blush it seems a little strange. Why does Israel need a nuclear guarantee, when Israel is one of the world's nuclear powers, and has the capacity to use its own nuclear weapons to protect it?

But I think it's clear that in the politics of deterrence, an American nuclear guarantor to Israel, and possibly to other states in the region, would enhance their own nuclear deterrent in a substantial and important way. It's certainly an idea which I think the new administration is going to have to ponder and think about.

MR. PASCUAL: First, just a word on the nuclear question.

The Nuclear Nonproliferation Treaty is based on a series of bargains, and those bargains revolve around the following three deals.

One is that the nuclear weapon states committed to disarm, to reduce their nuclear arsenals.

Second is a commitment to the non-nuclear-weapon states that they can have access to civilian nuclear power, which is provided by those who have nuclear technology.

And, finally, the third is that all of them will work together and commit to mechanisms to increase the ability to control the proliferation of nuclear materials and nuclear technology.

Part of the problem of this bargain has been that those countries that fall into non-nuclear-weapon states category has essentially looked at the nuclear-weapon states and said, “The biggest risk, the biggest nuclear risk in the world, and where most of the fissile material lies, is with all of you, the nuclear-weapon states. And why is it that you focus all of the attention on controlling proliferation on the rest of us?”

And so the logic and the rationale for reducing the American nuclear arsenal is that, first, it’s not necessary; that it doesn’t change our strategic capacity to achieve our military objectives. Secondly, that it helps build up the coalitions that we can establish around this NPT bargain to strengthen the nuclear -- the coalitions on nuclear proliferation. And, in particular, it helps bring in countries like Brazil so that eventually you can start to create coalitions where you have not just the permanent members of the Security Council and Germany, but also Brazil, and India. Let’s say if Pakistan does ratify the CTBT -- and others coming together

and putting that pressure on Iran, and saying that we also are against a nuclear Iran.

So there's a rationale for why to do it. And there's a way to explain it in a way that maintains American nuclear and military objectives, but strengthens the nonproliferation agenda.

And if in the context of that Iran does acquire a nuclear weapon, then the case we have to make is that we have a much stronger coalition internationally to be able to contain the way that that Iran might be able to operate.

That's not a simple answer. And it doesn't play extremely well in a 30-second sound bite. But I think it's a credible one, and it actually corresponds with what's happening with the nuclear debate internationally right now.

If we've left your head spinning in this debate, imagine if you were over on Pennsylvania Avenue and having to deal with this as a national security advisor, or you're on the seventh floor of the State Department as the Secretary of State. Because this is your world. This is your reality.

And we often talk about the way issues are interconnected and related and interdependent. And, you know, here they are. What happens on the economic agenda, and if that crisis intensifies, it's going to affect the ability to deal with the international climate change agenda,

because those issues will have an impact on economic progress and viability and economic growth.

What happens on the economic side and the climate side together will influence the environment for conflict, and whether there's greater competition for scare land and water.

What happens on the conflict side is going to have an impact on the terrorism agenda, in places like South Asia.

What happens on the terrorism front is going to be related to the ability to get hands on destructive weapons of mass destruction, such as biological and chemical weapons or, worse yet, nuclear materials.

And so we do need to thing of these as a package. And to complicate it even further, it's not just a package that you can think about in some broad, global sense. But in the end you have to relate it back to, "What is the policy and strategy in Afghanistan and Pakistan?" And how do you build the capacity internationally, nationally on the part of the United States -- but nationally on the part of those local actors. Because, in the end, if the Afghans and the Pakistanis can't actually control and govern their own state, it doesn't matter what we do from the outside because we can't fix it an control it forever.

And that's the nature of these transnational problems in the world that we face today. It is absolutely huge. It's critical. It has to be at the center of any kind of foreign policy and international security agenda, if

50 years from now we want to be able to say the world is safer and more prosperous.

Thanks for joining us today.

(Applause)

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