



**Women's Foreign Policy Group
Beyond the Headlines
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Foreign Policy and National Security Challenges for the Obama Administration

Patricia Ellis: Good evening everyone and welcome to the Women's Foreign Policy Group's Behind the Headlines event with our two star journalists, David Sanger, Chief Washington Correspondent of *The New York Times* and Karen DeYoung, Senior Diplomatic Correspondent for *The Washington Post*. We are extremely pleased to have two very seasoned journalists who are really up to date on all the pressing issues of the day in terms of foreign policy and national security. The timing couldn't be better, the night before the State of the Union, and just after the very important visit of the Chinese President to Washington, so we're extremely lucky to have Karen and David with us. I'm Patricia Ellis, President of the Women's Foreign Policy Group, which promotes women's leadership and women's voices in major international issues of the day. We have a number of Women's Foreign Policy Group Board members here: Gail Leftwich Kitch, Susan Rappaport, Diana Villiers Negroponte, and Theresa Loar, and we all want to thank you again for joining us. The very large turnout is a real tribute to our speakers. We are also so pleased to see so many of our diplomatic colleagues here; Will all ambassadors please stand so we can recognize them. Thank you very much for coming. [*Applause.*] I also want to thank all the other diplomats, as we work very closely with the diplomatic community. We just launched our 2011 program year with a wonderful event at the Embassy of Singapore about ten days ago. That followed two other very special events we did last fall at the Residence of the Dutch and the Indian Ambassadors. This year we are celebrating our 15th anniversary, so it's a very special time for us. This is the beginning of the season in which we are going to have many more Embassy Series and Author Series events. We will also be having our annual International Women's Day luncheon, our Celebration of Women Diplomats, our UN conference, and an activity that is very near and dear to our heart: our Mentoring Fairs in both Washington and New York. We are extremely pleased that many of you are coming out to counsel the next generation of leaders.

It now gives me great pleasure to welcome our two speakers back. When they were here two years ago, just at the beginning of the Obama presidency, we were discussing a number of the same issues. I am going to not give you any further bio information about them in the interest of getting to the program so we can hear from them but it does appear in your program book. Please join me in welcoming David Sanger and Karen DeYoung. Because the topic is so broad, we are going to have each one of the speakers begin with certain issues they have been covering. Karen

is going to begin with Afghanistan and Pakistan, and David will begin with China, Iran and North Korea. During the Q&A they will take questions on any issues you would like to discuss. Let's welcome them with a round of applause. [*Applause.*]

Karen DeYoung: Thank you Pat, I'm still reeling from hearing it was two years ago the last we did this and I thank Pat for not going through what our assessments were so we don't look like we didn't know what we were talking about. Thank you Pat, and I want to thank all members of the diplomatic corps for coming. It is especially great to see so many women in senior diplomatic positions as there are in this country. I'm going to talk about the current wars; David's going to talk about the future wars. [*Laughter.*] What I'm going to do is just give a short overview of where we are in Pakistan and Afghanistan and many of you are very much steeped in this and I apologize for telling you what you already know. As you know the Administration has promised to begin a drawdown of what are now 100,000 US troops in Afghanistan, but in July the date was looming large and many people were biting their fingernails in the Administration until they found a way around it last November in the Lisbon NATO summit, in which they came up with a new date which was the end of 2014. By that time they expect to complete a gradual transition—is the word they use—to Afghan security control and responsibility for all of Afghanistan's provinces. By that point, all combat troops should be gone, but that doesn't mean all troops. They expect to continue training, continue a lot of the assistance programs, and in fact the projection in terms of how long the coalition forces, particularly the United States, will have to continue assisting the Afghan security forces, is now 2025. And how they came up with that date I'm not quite sure, but I think most of us won't care anymore by then, but that doesn't mean there won't be withdraws in July, I think there will be. Conditions based depending on what's happening on the ground. But I think that's something we can all expect to be less rather than more, I believe the Administration has determined some time ago that there were certain parts of Afghanistan in the center and in the west and the northwest where Afghan forces are already in charge where they can kind of declare victory, marshal up a few thousand troops and say they are complying with the pledge that the President made when he announced the policy in December of 2009.

The larger question is whether the strategy that was announced at that time with the surge of both troops and civilian officials is actually working, General Petraeus says it is, and there is some reason to agree with him if you look at it by the metrics that he's set. There are significant parts of Helmand province in the southwest where marines have been active since early last year, where Taliban forces that once occupied the area have been more or less moved out. Around Kandahar there are some similar clearings in addition to taking and holding territory. Petraeus has begun, around the middle of last year, far more aggressive strategies attacking the Taliban where they live with the Special Operations Forces conducting night attacks in villages and encampments that the ISAF [International Security Assistance Force] has killed over 400 mid-level Taliban commanders and taken out thousands of other fighters. In the East the military is engaged more of a containment action in trying to prevent the Haqqani network and its allies from having free passage across the border from Pakistan and expanding their territory beyond the three provinces where their activities are centered along the Pakistani border. In the North there are conflicting reports as to whether the pockets of Pashtuns aligned with the Taliban have increased the influence and territory. The military is careful to limit its claim to having stopped forward momentum, not necessarily to having reversed it. Even that assessment is disputed by

the intelligence community which, in recent estimates, suggested there has been no significant damage to the Taliban, and that they were able to quickly replace the fighters and leaders that they had lost. But I think it will be difficult to make a real assessment of that until at least the spring. The question is not necessarily, "Will the Taliban return?" I think the assumption is that they will, particularly in the South, but "How will the Afghan government respond to them?" Will the government have put in systems, infrastructure, governing institutions that will persuade the population that they actually have something to gain from supporting their own government and not at least tolerating the Taliban? Obviously, this has continued to be a problem. I think the news on that score is not particularly good from what has been developed in Kandahar. As well, the relations between the US government and the Karzai government have continued to be very tense. There are still a lot of jobs vacant in Kandahar. There are a lot prominent reforms that have not been made. There is a lot of construction that hasn't taken place or is much slower than was anticipated.

A lot of analysts, including some of the Administration, believe that it matters what happens in Afghanistan, but it won't matter unless things change in Pakistan where the insurgent leadership still maintains training camps and safe havens. I don't think its fighters are necessarily coming across the border for attacks, but again this is what things have been planned, this is where supplies are material. The Administration again maintains that great success in drone attacks in the western tribal regions of Pakistan, nearly all of which now take place in very small areas called North Waziristan. They said that the strikes are more accurate. They said that in fact they had no civilian casualties at all since the middle of the summer. But despite which would be claimed in Afghanistan, it's very difficult to deal with all of this since we have no independent knowledge at all of who is being killed or what's happening in these areas. The Administration, with the drone attacks, on background, generally claims great success, but the US government maintains the public fiction that there are no such attacks, while the Pakistani government maintains an equal fiction that they do not authorize these attacks and supply intelligence for them.

Part of the biggest problem continues to be the basic weakness of Pakistan's civilian government and near total lack of leverage that the United States has in getting Pakistan to do what it wants. What it wants are two things: One, to get the Pakistanis to launch a ground attack into North Waziristan, and secondly, to sever once and for all the links that the Pakistani intelligence maintains with the insurgent leadership. The first issue that the Administration seems lately to be kind of making a virtue of necessity saying that perhaps an offensive into North Waziristan maybe isn't the most important thing, that the insurgents have now been pushed there by actions in other parts of the tribal areas and they can be watched there, they can be prevented from leaving, and they can be targeted more easily by drone attacks. On the second issue, which is the intelligence link, they're trying to find a way to take Pakistani interests into account to begin a reconciliation process and end the war. Reconciliation is where these two things come together; Afghanistan and Pakistan. Even the most optimistic US projections do not believe a military victory is possible, so some kind of political settlement is needed. The problem is to satisfy the objectives of everybody in the region. The Taliban wants a piece of the pie in Afghanistan, an entrée into political power there. Pakistanis support them in this largely because they believe that it's a hedge against Indian influence in Afghanistan. The Indians want to keep Pakistan's allies out of power and in this they're supported by Russia and Iran, to a certain extent, both of whom

see the Taliban as opposed to their regional interests. One of the things that the Administration has set as an objective—one of the things they've tried to do, but I'm not really sure how hard they've tried to do it—is turning this into a regional solution, trying to get everyone to talk to each other and to express what their interests are and try to accommodate each other's interests. Again, I'm not quite sure how hard they've tried this, because it's really difficult. The sort of obvious thing is to say to the Pakistanis and Indians, "Why can't you just get along?" It seems like a no-brainer: "Why can't you just figure it out?" I think that the Indian side does not want any American interference in this. The Pakistanis are pushing very hard for success because the United States doesn't want to damage its other equities within India—which are really substantial. The Afghans themselves are divided. There are anti-Taliban forces in the North that are prepared to take up arms and are looking for support to do this as soon as they see the Taliban getting what they think is an unjustified share of power.

Complicating the entire situation in here is the domestic situation for the Administration. Public opinion, as we've all seen, has turned largely against the war, although nothing succeeds like success, and if there were some indication that they were succeeding by definitions that people could actually understand, I think that that would probably turn. Many people on the left side of the Democratic Party are against the war just because they're against war and don't think it's going anywhere. On the right there are two groups of opponents: the fiscal conservatives who think it's just costing too much money and those who think that the Administration is not being tough enough, particularly in Pakistan. Republicans are already raising questions in committee, particularly in the House with the new committee chairs, about money and where it's going and how it's being spent. I think that, overall, what you'll see this year is the Administration starting to move toward this new definition of success in Afghanistan, which is not a newly-built nation. Once they come up with what that new definition is, then they'll start to declare it so they can leave. I think the current situation is not sustainable for very much longer. Similarly, in Iraq, by some estimates, the level of violence is even higher than it is in Afghanistan now. But I think there's no question the US forces are leaving there with some talk of re-negotiating some sort of agreement which would allow a substantial quantity of US troops to stay there, but as of now, I don't think that's going to happen. The locus of terrorism is moving outside of Afghanistan and Pakistan to North Africa, to Yemen, and Somalia, and I think that's something we ought to talk about in question time.

David Sanger: Well, thank you very much, thank you all for coming. It is wonderful to be back here, particularly wonderful to be back here with Karen. I am extraordinarily grateful that nobody was here when we were out making predictions two years ago, or if you were here, that your memory of it is faulty enough that you can't recall. Before I go on to discuss the happy news of China, Iran, and North Korea, as compared to what Karen just gave us—I agree completely with everything Karen said. Let me just add two thoughts on Afghanistan and Pakistan which may be helpful in spurring our later conversation. The first is that I think we have seen a gradual reassessment that no one in the Administration really wants to admit to on the question of whether or not Afghanistan is truly a strategically vital issue for the United States. There it differs from Pakistan. Pakistan truly is strategically vital, and the reason for that is an arsenal of 100+ nuclear weapons. When you think about the two priorities that the Administration laid out when they did their AfPak review at the end of 2009, there were only two main vital national objectives that the President identified. The first one we all know well,

which is to degrade and ultimately defeat Al Qaeda. They're not with the Taliban in that category; they were simply supposed to be degraded enough that the Afghan forces could shake them off. The second priority that they set—they actually immediately classified, which makes it a little more difficult to gage progress on—but it is securing Pakistan's nuclear arsenal well enough that we know that if the country imploded or if there was some kind of Taliban takeover of the government or even infiltration of the government, that the nuclear arsenal is safe. I think these were the right two priorities, but what they end up telling you is that the role of Afghanistan is growing smaller and smaller strategically, because our only real objective there is to make sure that the territory cannot once again be used by terror groups to attack the United States. And, as Karen has indicated, terrorist groups now have lots of other options. There's Somalia, there's Yemen, and of course Pakistan itself.

So the objective in Afghanistan could be narrowed to a point that I could imagine you could reduce the forces there quite dramatically. The only problem is how you get out of the historical problem that we have made the Afghans expect something much greater and grander from that day in 2003 when George Bush first said that there was going to be a "Marshall Plan" for Afghanistan. George Marshall must be spinning in his grave at the thought of what has been done now—or not done—in his name. The second issue to remember is that since the assassination of the Governor of Tahir in Pakistan just two or three weeks ago, we've begun to see a scene in Pakistani society we have not seen before. That is there are a few dozen people who get together every day and hold vigils out on the site of the assassination—a busy market in Islamabad, where you can buy trinkets, to the extent to which one goes shopping in Islamabad. This was a corner, a very busy corner of the city and a very internationalized corner of the city. You see thousands of people now coming out in various forms to protest to get the release of the alleged assassins. This is because the assassination has gone right at the issue of the blasphemy laws which in turn go to the question of how much of the society is radicalized and how much of the society is sitting quietly unwilling to take on the radicals? Now in the course of this assassination we learned that one of the guards assigned to protect the Governor of Tahir was able to pump 26 bullets into him without a single other guard—and there were many around—thinking that maybe it would be a good idea to interfere with this by say, shooting the assassin. That didn't happen.

What does this then tell you about a society that spends most of its time reassuring Americans that there is no infiltration into the nuclear weapons program or the guarding of that program—a program that involves 70,000 people, two or three thousand of whom have critical knowledge of how a weapon comes together? I have to say that one's confidence level and the ability to screen out what the Pakistanis call "fundos" [fundamentalists] in the system is, in my mind, a bit compromised. This is an issue on which, as I'm sure you can imagine, the Pakistanis are not willing to take on, and it's an issue that the Obama Administration is even quieter on than the Bush Administration was because it touches a sensitive nerve. The Pakistanis always think that there is a huge threat to their nuclear program, but it's not from the fundamentalists—it's from us. So, those are issues we might discuss in the Q&A.

I've been given the easy task of putting together China, Iran, and North Korea in seven minutes or less; should be no problem. [*Laughter.*] All three of those are very different tests of the engagement policy that President Obama came in and talked about when he first was running for

office in 2008. All three of them have resulted in, I think, extraordinarily different results so far that give you a sense of both the possibilities and the limits of engagement, Obama-style. Let me take them on very quickly.

First, Iran and North Korea. People tend to put them together in the same category because they both seem to be rogue states or states that act like rogues with nuclear weapons programs in various stages of development. In fact, I think that Iran and North Korea are, in many ways, opposite problems as opposed to similar problems. North Korea is already an established nuclear state. No one wants to quite admit that, but, I'm sorry, when you conduct two nuclear tests, and you have the fuel for eight to twelve nuclear weapons, the only reason why one is not calling you a nuclear state at this point is because the US government does not want to give the acknowledgment that this breakout system worked. When I tried to interview President Obama ahead of the Nuclear Security Summit, we went into a fabulous, really artful, quite skillful dance when I was asking him why we're not acknowledging North Korea's nuclear capabilities. I would have done the same thing under the circumstances. There's nothing to be gained for the US in acknowledging this, but the reality is that we're looking at North Korea in the rearview mirror in terms of the nuclear program. For all that government officials may talk about getting together six-party talks or whatever to disarm North Korea, when you actually pour truth serum into public officials at various moments and you ask them under what conditions they believe the North Korean regime would give up its nuclear weapons, the true answer is "none." This is because North Korea, without its weapons program, at this point, fears that it would be a little bit like Bangladesh. America would worry about it during flood times, and on International Food Day, and would not think of the country at any other moment. And they're probably right on that score.

So then the question comes; are you willing to put the screws into North Korea in terms of sanctions and the other steps we can take in order to speed along a collapse of the regime in hopes that that would boost the chance for the country to be disarmed? And the answer we have seen, both in reality and in Wikileaks, is no. No one's quite willing to go do that because of the concern that the implosion turns into an explosion. The North Koreans understand this better than anyone. When you think about the events of 2010, all of which, by the way, took the United States and South Korea by surprise, what you discover is that the North Koreans are playing their best card, and their best card is the ability to unpredictably strike out, lash out at some moment and make everyone concerned that events could cascade into a re-opening of the Korean War. So, they sank a ship with 46 aboard, with basically total impunity. When you ask the Administration or you ask the South Koreans, what price North Korea paid for sinking a warship and killing 46 people, the answer is that we had a president's statement out of the United Nations Security Council condemning the act, one which was watered down by China. If anybody doubts that it was watered down by China, consider the fact that on the day that the Resolution was actually issued by the President of the Security Council, the Chinese held a small celebratory party for the North Koreans in New York at the United Nations.

That, I think, emboldened the North Koreans to go on to the next step, which was the shelling of the island. Everyone says, and I'm perfectly prepared to agree, that these were all expressions of the secession struggle underway within North Korea. We assumed there was no struggle at all, but rather simply the establishment of Kim Jong-un, the son of the current leader Kim Jong-il,

and grandson of the founder of the country. If you want to do one of those really great magazine tests, go take a photograph of Kim Jong-un and put it up next to his grandfather and you will discover they look almost exactly alike; it's somewhat spooky. But this was all part of an effort, many believe, to establish Kim Jong-un's military credentials and in some way credit him with these acts of aggression against South Korea. This was very similar to what happened when Kim Jong-il was trying to establish his position with the generals. We have a little bit of doubt on this question, only because no one has publically said in North Korea that Kim Jong-un is the guy, and no one's walking around with little Kim Jong-un pins—usually the sign that he is the next one to be venerated. So we've made the assumption that the secession is taking place more slowly than we thought. The Administration, I think, was caught somewhat unaware on North Korea. They shouldn't have been, but I think they came to the early conclusion that North Korea was a case where while the succession struggle was underway there was no use in negotiating, and now they are in a position, in part to satisfy the Chinese, that they have to get back into these negotiations, while avoiding what Bob Gates has referred to as the “great trap,” or “buying the same horse for the third time.” I don't see a fabulous strategy right now for getting the North Koreans to move off of their current positions.

Iran is a different case. The President reached out early on to try to engage, he sent secret letters to the Supreme Leader, he made public appeals to the Iranian people on the Persian New Year, and none of this worked. Partly it ran afoul with the June 12, 2009 elections, but partly it ran afoul with the fact that the Supreme Leader had decided basically that he wanted to push forward with the nuclear program and probably end up in a position where the United States would keep negotiating for a long time, but basically never stop the program. That may have been a pretty good bet at the time but we've seen two developments. The first is that President Obama rather skillfully put together a set of sanctions that is far tougher than anything that the Bush Administration had done—and the most fascinating thing when I had to spend most of my fall immersed in the 250,000 cables of Wikileaks for two and a half months before we began publishing our series—was seeing that just days after President Obama had taken office, this effort really kicked into gear right away. And so as soon as the UN Resolution was finally passed, they were ready to go into the next stage of sanctions.

I think these have hurt the Iranians, but they haven't hurt enough to force Iran to make a strategic change of direction. You saw that in these pitiful talks that took place in Turkey last week, which basically ended up absolutely nowhere—yet another set of negotiations that have gone nowhere. That's the first lesson of the Obama engagement strategy, in which it turns out is that engagement takes two parties and the Iranians don't want to engage back at this point. That has left the Administration, in part, with its sanctions strategy. The sanctions strategy is the part they want to talk to you about because it's easily understood, it looks tough, and it brings the rest of the community together. They've done that fairly well, and in the course of a year, I think, they've turned the world's question from “Why doesn't the United States talk to Iran?” to “Why won't Iran talk to the United States?” I think that has been a significant accomplishment. But to some degree, this is the old magician's trick of “look over here so that you're not watching the coin over here,” and the coin over here is the covert program against Iran, which has done far more to slow down the progress in the nuclear program than, I think, anything we have done with sanctions.

That isn't to say that sanctions have been useless; they certainly kept the Iranians from getting a large number of critical parts for the nuclear program, but it's the sabotage program that's really extended the timeline. This sabotage program has had two or three major elements. You've seen us write in recent days about the most interesting part of it, which is Stuxnet, the first use of a directed cyber weapon, not a general cyber weapon. It's not what the Russians did in Estonia, where they just slowed down everybody's computer systems so that you can't even get money out of the ATMs. It's not just to make the system slow down so dramatically on a general computer network that it operates like *The New York Times* computer system at deadline time [Laughter.], but instead to direct a virus specifically at a very narrow target. The Stuxnet program is brilliantly written to this point. It not only speeds up the centrifuges to the point that they would explode at an unpredictable moment, but for those of you who have gone to see *Ocean's Eleven* and remember that great scene where the crooks play back through the security system a tape of a hall that looks empty and in perfectly good shape while they're actually robbing it, that's essentially what Stuxnet does. It plays back through the computer systems a version of a centrifuge operation operating perfectly normally, while in fact it is splitting itself apart. Iran is on to this now. They've isolated it. My guess is that you have just seen Stuxnet 1.0 and that Stuxnet 2.0 and 3.0 are well under design by now.

The second big element of the sabotage program has been the assassination of key Iranian scientists. Two were attacked: one killed with sticky bombs at the end of last year and another that was murdered early this year. This has not only had practical effect; it has a big psychological effect, I think, on the Iranians. The biggest mystery is what has happened to the man that no Americans know of, but who, inside the halls of the CIA, is probably talked about as much as Osama bin Laden, if not more. His name is Mohsen Fakhrizadeh-Mahabadi, and he is the scientist who heads the Iranian nuclear effort on the weapons side. He hasn't been seen in quite some time and my guess is that he has probably been buried away by the Iranians with some care. All of this has set back the Iranians for some period of time—it set them back four or five years. I think a lot of people believe that's an overly optimistic estimate, but certainly the Administration and the Israelis believe they have put time on the clock.

Let me just turn lastly to China. It's been a fascinating couple of weeks we've had here. If you think of Iran and North Korea as a problem of containing a failed state and a nuclear aspirant, China is an entirely different kind of problem. It's a problem that deals with a fast-rising competitor who poses a challenge on the economic front, and certainly on the military front. This is something the United States has never handled well. Now, we have good company in this; the British never handled this well when we were the upstart. But there is, as I think we saw from the visit earlier this week, nothing predetermined to indicate that even though China is a challenger on so many fronts, that we're necessarily headed to confrontation. It could happen that way, or it could happen that we find an accommodation way like the British found with, say, us. That's nothing that any American president wants to go talk about very much; it seems to smell of weakness in some way, and it's something that most Americans don't want to hear about. Certainly there is an element of both competition and fear built into our dealings with the Chinese.

The good news is that China's got a lot of issues at home to stay engaged with. The income distribution is wider than ever, the income inequality is larger than ever. 16 of the 20 most

polluted cities in the world are in China. You certainly see significant water issues, you see significant energy issues. There is also this fascinating split that has become increasingly obvious in the past year between a leadership that grew up in an earlier era and believe the message that it is wise to bide China's time and not take on the United States for another 10, 20, 30 years, and perhaps never to challenge American leadership in the near future, and a younger group in the military, mostly in the Navy and the Air Force, who believe the narrative that the United States proved through the financial crisis that we are, in fact, a pretty weak player—or, a weaker player than everybody believes, and that we can be taken more easily than the old elements of the leadership believed. You've seen this play out all year. Just think about those moments where we saw unexpected Chinese challenges to either the United States or the West. You saw it in the confrontation with Japan over the Senkaku Islands. You may remember a fisherman, the captain of a trawler, who had attacked a Japanese Coast Guard ship over the issue of whether or not they were rightly in the Senkaku Islands. When I lived in Japan, when things like this happened, it got settled by a bunch of officers who would take the trawler captain—who was almost inevitably drunk during the event—and return him in some way to Beijing. Instead, this turned into a full-scale confrontation in which the Chinese threatened to cut off rare earth metals—some of which they did cut off, and basically made a big point of this. You see this again in the conflict over the South China Sea, and the question of whether or not this is truly a Chinese-controlled area.

I was at the Central Party School in China where people lectured to us about China's version of the Monroe Doctrine, making the point that we have control over the territory in our hemisphere, so why shouldn't they in their hemisphere? This tension between the older group and a more militarized younger group, I think you're going to see play out big time over the next year or two as Xi Jinping begins to move into the president's role. That's why in our coverage in the past week and a half we tried to begin our coverage with Hu Jintao's weakness—he is the weakest Chinese leader in memory in the Communist Era in China—through the visit and ending up this morning with the profile of Xi Jinping and what he may well be like. I think China, in many ways, is going to be the backdrop of much of the Obama Administration's strategy in the next year or two, in part because we have an Administration that feels very strongly that it's time to re-focus on Asia after years of distraction, but in part because China also provides the Sputnik-like challenge that may enable President Obama to provide a rationale for investment in key technologies to try to make sure that the United States stays on the edge technologically. And I wouldn't be surprised if you hear a bit of that tomorrow night in the State of the Union. So I'll leave it at that and we'll move forward to your questions, and thank you again for coming out and taking another dose of DeYoung and Sanger. We won't make this mistake again for another couple of years. [*Laughter.*][*Applause.*]

Ms. Ellis: Now I'm just going to open it up and then I'm going to take a group of questions together because we want to get to everything. Karen, one year ago we had Richard Holbrooke as our keynote speaker at our main event, and I'm just wondering if you could reflect on what impact his untimely death has had. And to David, you ended on China; I'm just wondering what really do you see as the thorniest issues, and has this trip done anything to allay the fears on both sides or are they convenient to different parties in each country?

Ms. DeYoung: I think Holbrooke's departure is unfortunate in a lot of ways. One thing it does is it pretty much closes down the idea of having this special representative who theoretically was supposed to span all areas of policy: military, civilian, diplomatic. Obviously he wasn't really able to do that. I think the military kind of did what it wanted. Although I think Holbrooke and General Petraeus probably got along pretty well, General Petraeus tends to do what he wants to do. Holbrooke managed to bring together a very eclectic group of experts who I doubt will stay past a certain point. The Administration's had a lot of trouble trying to replace Holbrooke, even though Secretary Clinton said that that's what she wanted to do. She wanted to keep the office doing the same things it's been doing, but I think that's pretty doubtful and that what they will end up doing is finding someone who can do a very narrow portion of that job and leave Frank Ruggiero, who's the acting Deputy Director, to do the grunt work.

Holbrooke had a lot of problems, a lot of people in the White House who didn't like him, and a lot of people tried to actively get him out of there. I think what they didn't like was more attitudinal than substantive; they just didn't get along. Also, I think that the divisions between the Obama people and the Clinton people in the Administration are still very real. They have different ways of approaching things. Holbrooke was very much a Clinton person and she protected him in that job. At the same time, though, what she couldn't do was really define the authority of the job, which really never was defined. What he could do was, and I think this is something that Bill Clinton talked about at the memorial service, was that Holbrooke knew how to do things—that he could get things done. Within the relatively limited scope that he had, he could, just by sheer force of will and energy, get things done on the Hill, which is very important. I think that's going to be a big problem for them now, particularly in the House where you have a Republican majority setting an agenda which is not the agenda that the Administration wants to set on these particular issues. So I think that what you'll see is, again, this office kind of falling apart in the way that it's been operating up until now. You can argue about how effective it's been. I think some people would say it's not been very effective, but I think it would be something very different in the future. One thing Holbrooke did is he got counterparts appointed. The last meeting they had, they had more than 40 of them and specifically what they did in the last meeting, which was in Rome in October, I think, was to get some of the Arab countries to participate. And in fact the ORC is going to host the next meeting. If you think that those things are important in the larger scheme of things in terms of what actually happens on the ground and in terms of US policy, I think is a debatable question. I think the military is still largely in control and will be the ones to determine over the next year what happens there.

Mr. Sanger: Just one quick addition to that, one of the big questions that was left unsettled before Richard's very untimely death was whether or not he would, or someone else would, head up for the United States the participation in these negotiations with the Taliban. That is, if we could find some Taliban to negotiate with who are actually members of the Taliban, instead of shuttling around the country on an Air Force jet meeting with people who are fake Taliban, there was some question as to whether or not that would have been Holbrooke. It's very possible that whoever they appoint to this job will be largely in charge of that process. Now we don't know if that process is going to go anywhere.

To your question about the thorniest issues with China: I would say that currency is not one of them. I was struck when I was in China—I've been in China twice in the past two months—the degree to which the country is watching the growing inflation rate, and probably understating what that rate is, is quite striking, particularly for commodities—just going to markets to get vegetables and so forth. My guess is that at this point, you're going to see the Administration step back from this constant and somewhat fruitless beating upon the Chinese to adjust their currency rate and allow the yuan to appreciate, because the Chinese are going to get caught between letting inflation happen or adjusting the currency to try to fight the inflation. My guess is that they are going to come to the conclusion that politically it's a lot easier to adjust the currency than to allow the inflation to run rampant with the kind of social upheaval that can cause.

So what does that leave? I think that from the new Congress you're going to see a lot more pressure and examination of how Chinese trade practices, particularly the concern that they are allowing American companies to cheaply rip off new technologies and designs rather than to make them true partners. That's why things like the GE deal are going to be particularly interesting to watch. You're going to see over a long period of time more concern about China's military capabilities. Think of the stealth jet that was test-flown while Secretary Gates was in the country—I was in Beijing that day—and it was pretty clear that President Hu did not know that the test was going to happen that day, which tells you something about the connection between the President's office and the military these days. I think military capability in that regard is going to be critical. Military capability in terms of the anti-ship missile you saw them demonstrate is going to be critical, because if the US was not able to come up with a way to counter those technologies, we would potentially be forced back to the second island chain, the Guam Island chain, rather than make our carrier groups vulnerable. That is exactly what the Chinese want to do here. They want to make it a high-risk proposition for the US to put its navy routinely that close to the Chinese coast. So I think that will be a significant challenge. The third area that's going to be a big challenge is the cyber challenge. People have been very careful and delicate about it, but we know where the Google attack was born. We know where these exploratory invasions come from each day that seek to gobble up a huge amount of either government or private industry information. At some point the Administration is going to have to figure out a way to deal seriously with China and with other countries on that issue.

Ms. Ellis: Okay, so we will open it up. I'm going to take three questions at a time so we can get to as many questions as possible. Please identify yourself and keep them brief.

Question: Mary Locke, retired from the Senate Foreign Relations Committee. My question is about Kashmir. It seems to me that Kashmir is one of those key issues in an incredibly complicated region that we seem to intentionally, or unintentionally, ignore. The executive branch won't touch it, because of the equities that exist with India, and they willingly ignore the Islamic radicalism in the country. So are we broken on Kashmir? What should the US do?

Question: Ronna Freiberg of Legislative Strategies, Inc. You both referred to this topic previously, and now I'm going to ask you to take it on directly, and that is the new Congress. My question is what do you fear most that the Congress will do or fail to do in the next couple of years in the areas which each of you have covered?

Theresa Loar: Theresa Loar, from the Women's Foreign Policy Group's Board and CH2M HILL. My question is regarding Brazil. With the new woman president of Brazil, who is coming to Washington in mid-March, how do you see the Administration handling the relationship with Brazil in the future?

Ms. DeYoung: Just briefly on Kashmir, I think that you're correct that the Administration doesn't want to touch it. The Indians should make it very clear that they don't want it touched. But I also think that the Pakistani military uses this issue; I don't think they care about it nearly as much as they used to, but it's very convenient for them. It's convenient for them in terms of their troop deployments around the country; it's convenient for them politically to kind of keep up the whole thing about how India is the greatest threat. I think that even if you look at the insurgent groups that have been active there, you don't really see them doing that anymore. They've kind of moved on in a way, moved on to a lot of different things now, beyond Kashmir. Even though General Kayani, head of the Pakistani army, is considered to be one of the most anti-Indian people in the government now, I think it has become a convenience for the Pakistani military to kind of allow them to pick up on these issues that otherwise don't make a lot of sense.

Mr. Sanger: I think that the areas that the Administration is worried about most with the new Congress are foreign aid and the overall State Department budget. The newly-elected members of Congress don't seem to be the most foreign aid-friendly crowd that ever wandered the halls there. Much of the theory of the drawdown in Iraq was that as we pulled the military out, the State Department would take on the remaining tasks of training and nation-building. The savings we were getting from not having the number of troops—remember that we had 150,000 there when Obama came into office and now we're down to 50,000, now headed to an even smaller number, maybe zero by the end of this year—responsibility was supposed to shift over to State. Even before these elections, Secretary Clinton was saying on regular occasions, though not often publically, that she was quite concerned that in fact Congress was just cutting that money altogether and we would lose the leverage we had gotten there. I think the same could happen in Afghanistan, where as we've hinted at before, there is a confluence of the far left argument of why we should get out and the far right argument for why we should get out. That could result in a significant reduction of the aid. Apart from that, Congress doesn't play a big role in foreign policy. In fact, if I had a prediction to make about President Obama, it would be that, like every other American president, when he hits a point in time where he's done hitting his head against the brick wall of Congress, he will retreat to focusing on foreign policy issues that he can deal with largely by himself.

Ms. DeYoung: I think that that's absolutely right in terms of how influential Congress will be in setting an agenda, but certainly the House can cause a lot of difficulties. Tomorrow they've scheduled a hearing on the United Nations, back to the sort of Jesse Helms—"they're screwed up, we shouldn't give them so much money, we should withhold money from them." This whole concept, which many in Congress support, of giving the State Department more of a role as a standing civilian corps that can go into places, has never been funded, and it is unlikely to be funded now. The State Department is going to have to hire up to 10,000 contractors to do what the military now does—or at least part of it—in Iraq, and they don't have the money for it. In fact they had asked for an additional \$5 billion—a relatively small amount compared to the

overall defense budget—but not only did Congress refuse to give them that, they wanted to cut it back even further. Of course they're under the continuing resolution now, so we don't know what's going to happen. They can't even get the helicopters or the security systems that they want. They've been arguing about it since last spring, and they've never really come to any agreement, let alone the money for people to actually operate them. The hearing tomorrow will actually be an interesting introduction into what she intends. She said that, when she took over the committee, she had a whole list of cuts that she was proposing for the foreign operations budget.

I think that the Administration is committed to Brazil. I think they view Brazil as a very strong partner. I think that they accepted the outreach to Iran, and I think they see Brazil as a very strong regional power with whom they want to have very good relations, and you'll probably see that continue.

Susan Rappaport: Susan Rappaport from the Women's Foreign Policy Group's Board. My question is regarding human rights. You said that China has a long way to go on human rights, so could you just talk about human rights in China?

Ambassador Claudia Fritsche: I'm Ambassador Claudia Fritsche of Liechtenstein and I have a question about something a little bit closer to me, which is the situation in Tunisia. To what extent do you think it will have an impact on other Arab countries?

Paula Feeney: Paula Feeney from Cardno Emerging Markets Group, and I would just like you to comment on the challenges facing the United States in Haiti.

Mr. Sanger: I thought that President Hu handled the human rights issue very skillfully, in a way that tells us absolutely nothing about what the future handling of human rights issues is going to be in China. He could have come in and simply said "we have a perfect system designed for a country with 1.3 billion people and that requires a different system of human rights than you do here with a mere 300 million people, and when you get an additional billion you'll know what we mean." He didn't do that. Instead he appeared to give some ground by saying that they had a non-perfect system. He knew that that would enable him to cite the fact that they have given significantly more liberty in the local areas. The one area where they have really continued their repression has just been in direct challenges to the central government, but they have allowed the spreading of newspapers and blogs that reveal local corruption and so forth, and they've allowed far more free travel. So I think if you look at this as compared to 20 or 25 years ago, you could say that they've improved significantly. However, on the core issues of survival of the regime, they have become as authoritarian as ever. Those who went out and predicted, as President Clinton did during his visits to China that I covered, that the rise of the web would ultimately erode the power of the Communist Party underestimated the power of the Chinese government to roll with new technologies, and actually use them to their advantage. Hu was, as it appears, mistranslated by his own translator on the question of whether or not China agreed that there were some universal values of human rights. It wasn't quite what he said—he ended up repeating fundamentally Chinese boilerplate on this issue. So I don't think there was progress at all made on that issue.

Ms. DeYoung: You have seen some action in other places—demonstrations in Jordan and in Egypt—in reaction to the Tunisia thing. What will be interesting to see, is often in repressive states you see a lot of unity on the part of the opposition and what unites them is that all of them oppose the person in power. Once the person in power is gone, then you see that there's a lot of things they don't agree on and things tend to sort of fall apart. We've yet to see this cohere into some kind of workable alliance among these very disparate groups that can actually form a workable government, whether with some remnants of the previous regime or the military. We saw the demonstration of security forces to the shock of a lot of the political opposition—people who they had feared and seen in unilateral support of the regime—saying that they weren't happy either. I'm not sure if that means they share political goals and that they're going to come to some sort of meeting of the minds on what kind of government they should build there and who should run it. I think that the other countries in the region are watching very carefully to see if this all falls apart or not, which I think is still a possibility.

Mr. Sanger: If you're an Arab leader, it's a really good time to shut off CNN access. *[Laughter.]*

Ms. DeYoung: I think the Secretary of State cares a whole lot about Haiti, her husband cares a whole lot about Haiti, and they will continue to try to come up with money for Haiti. But I think Haiti is never going to be a front-burner issue. It will continue to have pretty much the same problems it's had in the past.

Question: I'm Joseph Dukert, an energy analyst and a guest of my wife, Betty. In her remarks, I believe that Karen DeYoung mentioned that the United States may be needed to assist in Afghanistan with rebuilding until 2025. Think back to 1997, where we were then. Think about the British between 1945 and 1959. Where do you think the United States is likely to be in the global power picture in 2025?

Question: Ginny Mulberger from the Scowcroft Group. You mentioned that the US-China relationship has been and will continue to be at the forefront of US foreign policy. Who owns this relationship policy? Who directs this multifaceted approach?

Question: I'm Ellen Levinson of Levinson and Associates. My question is about Yemen. We've never seemed to, as a government, taken it very seriously before, but considering all that has happened there recently, are we serious now?

Ms. DeYoung: I hope I didn't misspeak on the 2025 thing. The 2025 estimate is how long we are going to be paying for the Afghan security forces. Right now the Japanese pay the salaries of the Afghan police. We pretty much pay for the military, and the estimate is if you're going to build a military of 400,000 troops, the Afghans will never be able to pay for that in the foreseeable future. The estimates are that we are going to be paying for it until at least 2025.

On Yemen, I think we're very serious. The Yemeni government is serious about working this situation to its advantage. They've been ignored for many years, and they now see a lot of interest. They're trying to figure out how to play this in terms of getting the resources they want to get out of it. They've come back with a lot of demands for things that they're not going to get.

They've given a lot of ground in terms of allowing the US military to operate in there, with some restrictions, but there are a lot of Americans in there now doing a lot of things. The condition is just that they're not very visible. They're perfectly happy for them to be very visible with aid, and in fact they've kind of said "bring in your own people." They're not like the Afghans who say, "we want it to go through the ministries, we want to spend the money ourselves." They said, in terms of development and economic assistance, "bring in anyone you want." They can go anywhere they want—now obviously it's difficult to go places in Yemen—but I think that President Saleh sees this as a way to pay for things and bolster his own standing there, but he's not able to pay for it so that's kind of the balance at the moment. This is not only a military operation—we have equities here: the diplomats run foreign policy, not the military. But the military has been running, along with John Brennan, everything the United States is doing in Yemen.

David Sanger: I think China policy is being directed very much out of the NSC and very much out of Tom Donilon's office. Tom has always taken a deep interest in Asia; he has belonged to a group most vocal about rebalancing America's foreign policy back toward Asia. I think he believes very strongly that during the Bush years, Asia was largely neglected and China exploited that simply because we were distracted in Iraq, and simply because the Bush Administration made adherence to the anti-terrorism policy the number one test, and sort of sublimated almost all the other interests—trade issues and so forth. So you've seen this Administration make some strategic decisions to push back on the Chinese. The decision to, after the second attack on South Korea, put a carrier group into the Yellow Sea, was considered at great length by the White House—I think far more than most people recognize.

Back on Yemen for a second, this is one of the areas where I think the granular nature of what we got out of the Wikileaks cables was actually quite instructive. To sit there and read the conversation between General Petraeus and President Saleh, where President Saleh said, "You can bomb anything you want as long as you can take the credit for it"—that was sort of the big wink that took place, it gave you a little bit of a sense of the raw nature of the conversation between the two countries. I agree completely with Karen that we've now recognized that simply having a half-secret joint forces command center in Yemen, as opposed to a significant military and CIA presence, which we do at this point, is not a national strategy, and there needs to be one there.

Question: Jill Schuker from OECD Washington. In terms of global architecture, and the changes from the G7 to the G8 and then the G20, I am wondering how both of you view the G20's role. Secondly, Turkey is always fascinating and interesting, a longtime Cold War ally, longest border with the Russians, now playing a very pivotal role. What role do you see Turkey playing in the future?

Question: Allison Johnson from Northrop-Grumman. Could you comment on the revealing on National Public Radio that through the Israeli-Palestinian conflict some of the Palestinians were actually giving a fair amount and really trying to facilitate negotiations, but the Israelis pushed back and basically refused to give anything to the Palestinians?

Question: I am Mabel Gomez-Oliver from the Embassy of Mexico and I want to hear how both of you view the relationship that the United States has with Cuba.

Question: Michele Manatt, Consultant. I have a question about the development and establishment of the QDDR [Quadrennial Diplomacy and Development Review] last year. I think all of the people who were involved are being brought to DC this week for a briefing on it. What do you think its impact is? Do you think it's useful?

Ms. DeYoung: I think that the Administration made a very specific decision very early on that they were going to switch their focus from the G8 to the G20. I think everything they've done has been in that direction. Places like Brazil, India—I think that they're serious about that and they want to build up the G20.

Let me say something about Cuba. I think that the Bush Administration came into office very willing to make concessions to Cuba. They had a plan—they were all set to do something at the end of the summer. I think every time they move to do something, the Cubans, as they often do, did something to make that difficult, whether it's arresting this guy and holding him there, whether it's doing something with political prisoners. I think that they were willing early on to take the hit. People in Congress, both Republican and Democrat, want to take the hit on Cuba. They find it difficult to do because of both what the Cubans have done, but also because it's just not worth it in the face of the other issues to anger certain people. I think their intention is if they see an opening to do it, they want to do it.

Mr. Sanger: Turkey is playing an increasingly critical role but I thought it was notable how Turkey sort of got out ahead of itself by getting involved in the Iranian nuclear dispute. This is one instance where the leadership probably didn't fully understand the implications of what they were doing and they had to make a somewhat embarrassed retreat very quickly, and my guess is that that's going to make them a little more cautious about what they're wading into outside their immediate area. I think that given the state of the financial crisis in Europe, and the concern that a good number of countries were probably cooking the books, to put it mildly, my guess is that the instinct to allow in even more membership—I know there's been a lot of concern about Turkey early on—I think that's going to be even harder to go to.

On the Israeli-Palestinian documents, I haven't had a chance to see these documents or go through them. They're not out of Wikileaks, and if they're not in that little cache of 250,000 documents that we're sitting on top of, I can't vouch for their authenticity. I think I know pretty well what's in the Wikileaks cache. I expect, if these documents are real, they date back to 2009, and the only real effect of them is going to further deepen the divisions between the Palestinian people about whether or not their leadership is made up of wily negotiators or complete fools. I think that's always been the argument that takes place within Palestinian society, and they're quite divided on this issue. I think the question that it's going to raise is how much they were willing to give in. What they gave into in 2009, that really have no relevance to what they may be willing to do under these new circumstances.

Ms. DeYoung: The reason I gather having the people involved in the QDDR back here is because there are a lot of training issues and a lot of staffing issues being discussed. Beyond that,

I have to say I didn't pay much attention and I think that it's ended up being an exercise that has gone on way too long, and I frankly don't want to go beyond what I know, because I don't know very much about it and haven't paid much attention to it.

One thing I want to say about Turkey is, yes, they have overreached in some ways, but they've been very clever at the same time. They've managed in Iraq to make a deal with the Kurds. They got themselves in there both politically and economically. There's a huge amount of Turkish investment now in Iraq and I think that they've been very clever about the way they've handled that. They've moved in, even in Afghanistan, and just present themselves as negotiators. It didn't work out too well between the Israelis and the Palestinians so far but I think that they're showing themselves to be pretty skilful on these issues.

Ms. Ellis: Well, I just wanted to say that this was a fantastic evening. We've learned so much and we will not wait for two years to have you back again. We'll have you back soon with questions waiting for you. [*Applause.*]