



**Women's Foreign Policy Group
Author Series Event
February 10th, 2009
Washington, DC**

David Sanger and Karen DeYoung
Chief Washington Correspondent, *The New York Times*
and Senior Diplomatic Correspondent, *The Washington Post*

Foreign Policy and National Security Challenges for the Obama Administration

Patricia Ellis: Good evening everyone and welcome. I'm Patricia Ellis, and President of the Women's Foreign Policy Group, which promotes women's leadership and women's voices, on pressing international issues of the day. We are just so pleased that you could all join us tonight. This is the second in our Author Series this year- both of them are authors and journalists- this year and this one is a really hot topic- foreign policy and national security challenges for the Obama administration. We are lucky tonight to have two of Washington's preeminent, award-winning journalists with us who cover national security and foreign policy Karen DeYoung is the Senior Diplomatic Correspondent for the Washington Post and Associate Editor. She has also been a frequent speaker and moderator of events for the Women's Foreign Policy Group and we also hosted an event when her book came out on Colin Powell, *Soldier: The Life of Colin Powell*.

David Sanger, Chief Washington Correspondent for the New York Times and author of the recent released book that I hope all of you will buy, which made it on to the bestseller list in its first week, *The Inheritance: The World Obama Confronts and the Challenges to American Power*. The topic is certainly timely with everything going on 22 days into the Obama administration. There are so many foreign policy, national security issues on the President's plate from the Israeli-Palestinian issue, to all general Middle East issues – Iran, Pakistan, Iraq, Afghanistan, Russia, and North Korea – just to mention a few. And both of our speakers have been covering many of these issues and they also have been covering the make-up and the operation of the new foreign policy team, so we'll be discussing both the process and the substance.

I know we have some diplomats here tonight, I did just meet the new Ambassador from Iceland, so welcome to Washington. Are there any other diplomats in the room? Please stand. From the Netherlands. Thank you very much for coming.

In a 24-year career at the paper, he has reported from New York, Tokyo and Washington, covering a wide variety of issues surrounding foreign policy, globalization, nuclear

proliferation, Asian affairs and, for the past five years, the arc of the Bush presidency. Twice he has been a member of Times reporting teams that won the Pulitzer Prize.

David Sanger has been at the *Times* for 24 years. He has reported from New York, Tokyo and Washington, covering a wide variety of issues surrounding foreign policy, globalization, nuclear proliferation, especially North Korea. He recently covered the Bush presidency and today he wrote a very interesting and timely article on Iran. Karen has reported from DC, London, and Latin America, on terrorism, counter-terrorism, Bush's foreign policy, and other global issues such as war crimes, peacekeeping, the war on drugs, and recently she wrote an article about the overhaul of the National Security Council and about Afghanistan and Pakistan. We are extremely lucky to have them both here. After we hear from both speakers we will go to Q&A and then David will be available to sign his book. So please welcome Karen DeYoung and David Sanger.

David Sanger: Thank you, thank you, it's great to be here with Karen again. I'm looking out on this crowd and I'm reminded of Condi Rice's great line as she was leaving office which was "You know, it's hard for a white guy to get this job these days." And she has a point – I guess it was Warren Christopher who was the last white guy, so there you go – so I'm looking forward to showing up at the Men's Foreign Policy Group! We all need a support group.

I thought I'd talk a little bit about *The Inheritance* and the reporting that lead up to it, but I'm going to keep it brief so that we can hear from Karen. I've been on stage with Karen a few times before and I know the best thing for me to do is just sort of race right through this and sit down because she is going to have a lot more interesting things to say than I will, and then we'll be happy to take your questions. I covered the Bush White House for seven years and at the end of this remarkable time of shifts in our foreign policy, I realized a few things that I thought I needed to walk away from the paper for a year and try to think about and put together, since everybody was saying that the next president was going to have the biggest agenda, the biggest set of problems, out there. But we hadn't really counted on why that would be the case, or what the central problems were going to be, or why things – beyond Iraq – had turned in such a direction.

This is the non-Iraq book. If you want to read a truly great Iraq book – he was writing it at the Center for New American Security while I was writing this – Tom Ricks just today came out with second volume of a book called *The Gamble*. That will tell you what happened in Iraq. This will tell you what happened while the entire national leadership of the United States was so focused on Iraq that everybody else in the world sort of spilled out of control, and to my mind that was the story that really fascinated me, because as I started this project in the middle of 2007, I went around to publishers in New York and said, I think that by the time the next president is elected Iraq is going to be off the front page and several of them looked at me as if I was crazy and they made a valid point, but I think now we've sort of seen that, in that now our biggest problems right now come out of what in the book I refer to as the "great distraction." And that Iraq was, in fact, the "great distraction." I don't mean by that to say that Iraq was the right idea, or the wrong

idea or the right idea badly executed, but rather that the premise of invading Iraq was that the rest of the world would see what we did, in knocking off Saddam Hussein, and get in line. That people in the White House and that maximum moment of hubris in the summer of 2002, after Afghanistan appeared to be a big victory, assumed, and you'll see people talking about this in the book, that the first thing that would happen after Iraq is that the Iranians, the North Koreans, and others would sort of phone in and ask if we could provide the P.O. box where they could mail their weapons, It quite didn't work out that way. The assumption with Iraq, of course, was that it was going to be a six-month war and as it became a five-year-plus war, the reactions that other nations had, with the exception of Libya which I think was a something of an odd case, was that Saddam Hussein had made a huge mistake by not gathering his weapons together before he confronted the Americans, that other weren't going to repeat that, but more importantly that we had so pinned ourselves down that we could not, in fact, go respond to bigger threats that were emerging – Iran, North Korea, fit into this category – or even respond to bigger opportunities that were emerging. China is a fabulous example of this, we had a really great chance with the Chinese to sit down and begin to discuss what Senator Clinton says now she is now going to sit down and discuss with the Chinese, which is energy issues and environmental issues.

We had a huge opportunity, since those riots that are taking place in China periodically, several hundred last year are mostly about environmental degradation – people who don't want their kids drinking polluted water or eating tainted food. That's what's triggering a huge amount of the unrest in China and it was a great opportunity for us to go to the Chinese and say look we have a three-fer here. First, we can sell you environmental clean-up equipment and teach you the regulatory methods we've developed in our food supply and so forth. Second, you can pay for this and close the trade deficit. And thirdly, if it closes down some of those riots, it will perpetuate the rule of the Communist Party – which is usually the way to their hearts. We never had that conversation, and I think one of the reasons we never had that conversation was there just was not the bandwidth in the US government to be able to go think about new and broader ways to deal with these relationships while we were so wrapped up in a single conflict.

But Iran and North Korea are the real examples of countries that saw what was happening and exploited it greatly. In North Korea's case, the fuel – that had been under inspection since 1994, since the Clinton-era agreement and that had been kept in these fuel ponds – was removed from these ponds in January, February, and March of 2003 just as our troops were moving into Kuwait getting ready to move up into Iraq. And we were running front page stories at this time saying, "Looking For Weapons of Mass Destruction on the Loose? Here's the fuel being moved in full view of our spy satellites." And I remember many people in the Bush administration, Dr. Rice among them, calling to say "David, you're on the wrong story. The real problem is Saddam Hussein, he lives in a much worse neighborhood than the North Koreans do. The North Koreans are surrounded by potentially either friendly powers or powers that have no interest in seeing it go nuclear. And that's the much bigger worry. Well, we ended up invading a country that turned out not to have much and the Bush administration spent the next five years trying to get back the eight weapons worth of material that North Korea actually

reprocessed at that time and they got back not one gram. It's not because Cliff Hill didn't have a good strategy, it's not because they didn't wake up to the problem, it's because they had dug a hole so deep during the time of Iraq that nobody could sort of climb out of that at the time. In doing the interviews for the book, I went back to the White House – everyone was very cooperative except for the president himself who didn't think this was necessarily the one review of his foreign policy he wanted to cooperate with, I don't know how he came to that conclusion – but one his very senior advisors when I raised the North Korea case in some detail said, “David, remind me when this happened?” And I said, “Well it was January, February, March 2003” and he said, “HmMMM, we were kind of busy then.” which was kind of a point.

Afghanistan is obviously a major example of this. We all hear the line that Afghanistan was bled to feed the Iraq war, but starting with some reporting I did for the Times with my colleague David Rohde, which has been expanded into several chapters in the book, We went back and interviewed every one of the American ambassadors, the American commanders, the CIA people, who had been in Afghanistan and they all told the story, a complete [inaudible] of the White House version of events. They all described seeking more troops. There's a scene in the book that opens up with the American commander in Iraq coming up on that great screen in the new Situation Room that has six screens and you sit around at this big table – it would be a great place to watch football games – and asking President Bush and the new Defense Secretary – Bob Gates at the time – for 15,000 more troops and this was in the midst of the surge, the surge was actually about to get announced, and suddenly the President who always told us he listened to his generals decided that this was a case where he was not going to listen to his generals. He [the commander] was basically told, “We don't have them.” And so the story of Afghanistan now is moving back in the troops that we moved out in 2002 and 2003, it's just that now that Taliban has about half the county. Much of that I play through in this book.

And then there's what may be the more terrifying part of the book, which is travels through Pakistan, where I spent some time with the people who are supposed to secure the nuclear weapons program. I'm actually fairly well convinced that the weapons themselves are fairly well secured. The laboratories [inaudible] I'm less persuaded of. But one of the best moments of the reporting on Pakistan came when I was there in the spring of last year and it was just as the new civilian government was being formed and they had these fabulous Powerpoint presentations about who was now on the nuclear command authority. And so it had all these newly installed leaders: it had a new prime minister – it didn't have a president at that time – some other leading politicians. So as I made my way around to the politicians, my last line as I was leaving there offices was usually, “So I understand you're on the nuclear command authority, what all does that involve?” And two of them said, “I am?” I came back here and was sitting in Bob Gates's office and described it to him at the end of an interview and he just put his head on the desk and said “Now you know what we're dealing with.”

Iran, I think, it is going to be the most complex case and one of the big pieces of news you probably read about when the book came out –we put this in the Times the weekend before the book came out – was that last spring the Israelis came to the White House and

asked for the bunker-busting bombs, the refueling capability and the overflight lights over Iraq so that they could prepare to take at the Natanz enrichment plant. Now whether they were really planned to take out the plant or were just trying to persuade President Bush that they were getting ready to and that he should act before he left office, we'll probably never know and they may not have known themselves. But the fact of the matter is that President Bush, the man who turned preemption into a doctrine, told the Israelis no way and he was quite concerned because they had just done this in Syria in a plant that was built, conveniently, by the North Koreans for Syria and was 100 miles from Iraq, that we missed for five years in our crack investigations of the area.

His argument to stop them from going ahead and doing this was that – in addition to the fact that he thought it could start a new war in the Middle East and in addition to the fact that he thought the Iraqis would through us out if it appeared we had been implicit in allowing the Israelis to fly over the area – was that the United States had started a new, very large, covert program to try and accomplish the same aim, which was basically to disable Natanz plant.

Now, I didn't reveal this in the book just for the joy of revealing it, and I kept many of the details of how we're trying to do this out of the book and out of the news stories, but I wanted to make it clear that the choices ahead for Barack Obama, as he heads into this new engagement with Iran, are a lot more complex than he talked about last night at the news conference. Yes, he's got to find a way to engage Iran and it is hard enough because you never know quite who you are negotiating with or what powers they have. But he has also got to decide whether or not to continue what is one of the largest covert programs the United States is now running and whether you can engage with a country while you are also engaging in affairs that are subterfuge to their system.

Now, it's not news to the Iranians that we've been trying to take out Iranian nuclear plants. I cite in the book incidences in which we've done that, including times we have intercepted centrifuges on their way to Iran and sent them off to Los Alamos and other national laboratories for technical improvement before the were delivered to the Iranians. But it is going to be a very complex issue, because just has Kennedy had to decide when he took over from Eisenhower whether to continue with the Bay of Pigs, this is the kind of effort that can blow up on you. On the other hand, if you stop it, and these negotiations fail anyway, and Iran ends up as a nuclear power in the next two years, I suspect you are going to have a lot of people in the Bush administration, probably led by Dick Cheney, saying you know we had a program to stop this and the Obama administration halted it. So he is sort of in a – I wouldn't say a no-win situation – but an extraordinarily difficult set of choices and it is a lot more complicated than well, are we going to engage or not.

I think I will stop there and let Karen talk to you and then at the end we'll both be interested in taking your questions, including on the formation of the new administration. Thank you very much and thank you for having me here today.

Karen DeYoung: Thank you, as Pat said my book on Colin Powell was published a couple of years ago, so there's not a whole lot that's current in it, but I was reminded of it

last week when I had arranged an interview with Jim Jones, the new National Security Advisor, about his structure for national security and the NSC. You know, each president certainly since the National Security Act of 1947, with a few notable exceptions, one was Ronald Reagan when Al Hague wrote it and Reagan refused to sign it but they all have initially come out with what is usual presidential directive number one, which explains how they intend to organization the White House for national security decision making, how they are going to organize the NSC.

So I asked Jones if he would talk to me about it, and he was quite happy to do so because he is very proud of what he is doing and he envisions a lot of changes. One of the things I did before that was to go back and look at a story I had written in February 2001 which proved several things to me, one was how long I've been doing this, probably too long, and another was how you shouldn't pay too much attention to what they say they are going to do. This story talked about the lean mean national security structure with an NSC that was going to be half the size of the Clinton administration, a national security advisor, at that time in the person of Condoleezza Rice, who was going to be behind the scenes and never go out and be on television, who saw as her mission in life to synthesize the views of the members of the Cabinet, the Defense Secretary, the Secretary Of State, the Vice President, and to be an honest broker among them, and to present those views to the President. I think we all know that it didn't turn out that way, and it started to fall apart really almost immediately, long before 9/11 sort of changed everything, as they say. You can look – and this is my Powell plug – one of the things I found in researching that book was how the fights started really almost from day one and that Rice was not an honest broker and that she was not able, as we all know, to mediate among the various powers centers. So I had all this in mind when I went to talk to Jones. And he in fact outlined what, to his mind is a very different structure, one that may in fact require legislation to change the National Security Act, which outlines a very small National Security Council that includes only the President, the Vice President, the Secretary of State, and the Secretary of Defense. As you know, recent presidents have changed that somewhat, not changing the statutes but inviting other people to partake. The CIA director has for some time attended these meetings, the Chairman of the Joint Chiefs has usually come. The Bush administration invited the Treasury Secretary to come to certain meetings.

But what Jones is talking about is something much larger than that. He described a National Security Council that would encompass all kinds of issues that we don't generally think about as national security issues or even as foreign policy issues and that their meetings would be structured to include whoever had something to say on that issues. So they would develop never directives in the National Security staff, one on cyber security, climate, energy, on infrastructure – domestic infrastructure. In those meetings whoever was involved, whoever had equities in that issue, would come to the meetings. And the would establish action groups to deal with particular subjects, some of them would be very short lived – taking only a couple weeks to deal with a crisis – some of them would be very long and would last for years (in that category he cited Afghanistan and Pakistan).

He said that they would, he would be, and he said this very firmly, he would be in charge and he would run the meetings. You will remember at the start of the Bush Administration that there was some discussion whether Vice President Cheney would run the meetings in the absence of the President, who always chairs the meetings when he is there, among the principals. He was quite outspoken in terms of the transparency of the process, and this is where he reminded me of Powell: one of the things he said was that he'd gone and talked to Former National Security Advisors, and Powell was obviously in the last year of President Reagan. Powell describes this in a very military way: we go into a meeting, I chair the meeting, we have an agenda, everyone knows what the agenda is, we go down the list, everyone has there say in a limited time frame, I summarize what everyone has said, everyone else gets one last chance to say, "no that's not what I meant," and I'd say, "thank you very much" and we'd leave the room and I'd write up what everybody said and they could all look at a copy of it and they could agree or disagree with it, and then I would translate it to the President and that is pretty much what Jones said, literally almost word for word. He said that I'm the Chairman, I'm in charge of the meetings – he didn't say, "and that means nobody else is" – but that is clearly what he meant in a very military kind of way.

At the same time he also described, as the all do, a very collegial structure where everybody gets along and nobody has more power than anyone else except that he is the first among equals as far as these meetings are concerned. So, I think it will be interesting to look where that process goes, and whether, in fact, it does substantively change and whether that substantive change in the process actually comes out with some different results. The other thing he said, in terms of transparency, was that they would establish a communication network where everybody, every head of a department or agency, would know what was going on at the National Security Council, which is great for journalists because it sort of incrementally increases the number of people you can ask about something. But that would allow other department heads to keep up to speed with what was happening so if, perchance, they were not invited to a meeting and they saw something they wanted to say something on, they'd have the opportunity to do so. Again, we'll wait and see what happens with that.

The other thing I wanted to talk just a little bit about was Afghanistan and Pakistan, which is what I spent most of my time on in the weeks before and certainly since the inauguration. I wrote a story a couple of weeks before the inauguration saying that Obama was going to go ahead and authorize deployment of 30,000 troops, I think it will be more like 38,000 actually, if what the Pentagon has recommended is approved by the White House. [I wrote] that Obama would go ahead and send them, but that they actually only viewed them as buying time while they came up with a new policy, because they really didn't believe that there was a military solution and that it would not be like the surge in Iraq and they would not really accomplish much beyond holding the line and making sure things didn't get worse. The Obama people were horrified by that wording, that the suggestion would be that they were using American lives to buy time. But I think, in fact, that is exactly what they are doing. I think that they came in, once they were in office, they felt like they hadn't really seen – despite all the briefings and the intelligence briefings and the military briefings and Obama's meetings with Gates and everyone else

– that they really didn't understand what was going on there and they were pretty horrified with their version of how bad things actually are there.

They are determined that they are going to take their time and that they aren't going to be rushed into a new strategy. They set the 50th anniversary NATO summit, the first week of April, as a deadline for coming up with a new strategy that will be Afghanistan, Pakistan, and India – although they won't say India since it makes the Indians mad – but it does include policy towards India. They hope to approach the Europeans and say, “Look, we've got this all figured out, yes it would be very nice if you could send more troops but we would be happy with whatever you can give, here's a list.” In fact they've gone to each of the European countries and said, “We're going to give you, next week, a list of everything that needs to be done in Afghanistan and that's everything from more combat troops to more helicopters to building bridges and roads to building schools to training police and you tell us what you think you can do on that list and give it back to us in a week,” – this was their homework – “and we'll start to figure out a strategy and we'll figure out what is the best thing for you to do.” And they're hoping that by presenting a comprehensive plan, that they will encourage the Europeans to kind of take advantage of this great affection for Obama that everyone professes to have and get the Europeans to cough up a little bit more.

In Pakistan – Dave Colbert got there today – the Pakistanis again, I think, really have us over a barrel, what are we going to do, say no thanks, we don't like what you're doing and we're pulling out. They have some demands they want to make, there is a long list of military equipment that they want that they've been trying to get for years and haven't be able to get. There will be this very large economic assistance package that will be introduced if not this week, next week, in the Senate Foreign Relations Committee, which I think will probably go through fairly quickly, since one of the original sponsors last year was then-Senator Biden with Obama and Clinton as co-sponsors.

And I'll stop here, but I'll just say that I was talking to someone at the NSC today and they were saying, “We read your story about Jones over the weekend,” so yes, ok, and then they said, “but he was just shocked because you sort of describe it as a power struggle and we don't feel like that at all! We don't think there is a power struggle, and again, we're just happy that everyone is getting along.” So, we'll see.

QUESTION AND ANSWER

Ms. Ellis: I'd just like to follow up on a couple of things that Karen and David were just talking about. Number one, Karen, in talking about the NSA, we know that in every administration there is always conflict either between DOD and State etc, so with this new expanded plan, where do you see potential areas of conflict because Hillary Clinton has already said that she wants to take back some of the things that the military has taken over from the State Department. But since it is going to include so many different departments, what is your thinking on that and please feel free to comment also on how

you – and obviously Hillary Clinton has only been there for a very short time – but what are the indications of how her style and policy will be, as compared to the predecessor.

Ms. DeYoung: I thought it was interesting, Clinton had a townhall meeting at the State Department last week and she talked about – to many cheers at the State Department – about, and this is a quote, “taking back authority, taking back resources and authorities”. So, she didn’t mention the Pentagon, but it was clear that that was what she was talking about. And it seemed to me a sort of peculiar phraseology, because it wasn’t the language of cooperation, it was the language of “I’m here and I’m going to fight for you and I know that they’ve taken things away from you, and I’m going to get them back.” I don’t think she is going to be too lucky in doing that. I think that this whole question of civil-military cooperation that everyone talks about: the horse is sort of out of the barn on increased military roles and responsibilities. And it’s not only money, although money is obviously a huge part of it. You see the military expanding into areas that are so traditionally civilian roles, at the same time you’ve seen AID shrink to pretty much nothing and new military missions, which are to do development, to do humanitarian assistance. Jones has talked over the past year very openly about new military cooperation with NGOs, which the NGOs don’t particularly want they say, but if that’s where the money is I think they may change their minds. So, I think that as you come up with these huge development programs out in Afghanistan in Pakistan the questions of, certainly in Afghanistan, who’s going to run them, who’s going to get the money. To say you’re going to add a thousand FSOs to the State Department, I think is a lot in terms of how many are already there, but when you compare it to what the military resources are in that area, there is just no comparison at all. The new counter-insurgency doctrine, easily a third of it are missions that military really has not been involved in before in a more conventional warfare, so I think it’s going to be very difficult to turn that around and I think that there will be conflict over it.

Mr. Sanger: I’m going to be the rare optimist in this and it’s because, in the time that Karen wrote about so wonderfully in the biography of Powell, you had a Secretary of State and a Secretary of Defense who were basically, they or their aids, were out to [inaudible] each other everyday when they got up. I think in this case, you have Secretary Gates having been the one spokesman in the administration during Bush’s time, who talked about the need for an expeditionary nation-building capability outside of the Defense Department. And he’s the one who kept repeating time and again, “we have more members of the military marching band than we have diplomats, we spend more on the Pentagon healthcare budget than we spend on our foreign affairs budget,” the numbers go on and on. I think he came to realize that the era in which you had helicopter pilots sitting down trying to teach Iraqi villagers how to put together a town council, that something is wrong with this picture. And Secretary Rice got started in a very small way with this Civilian Response Corp, which to my mind ended up looking like a very good first effort, but there was no standing force, there’s a wonderful list of very talented people and their phone numbers and their emails, but if you actually had to organize them and drop them in quickly to some corner of the earth, they’re not going to move at Marine Corp speed. And, I think now there’s a recognition broadly, even with in the military, that that has got to get built up elsewhere, in part because they don’t want that

mission weighing down on everything else that they go do. Now saying it and turning it into reality are different things, and as Karen points out, AID is now a third of the size it was during the Vietnam War and it basically is a large contracting organization at this point, and that's all got to change to some degree in the vision that Secretary Gates laid out and now Secretary Clinton has laid out, is going to come to fruition.

Ms. Ellis: Thank you. There are just two other quick questions and then we're opening it up to the audience.. One is, what do you see as the impact of the financial crisis on the ability of the Obama administration to carry out many of the things they hope to do? And, you were talking about Iraq dominating to such a degree that everything else was forgotten, what hope do you see for a focus on other parts of the world, like one you used to cover extensively, Latin America, which has been totally ignored, and other parts of the world, which have not gotten that much attention? On one hand, there are so many hot button issues on their plate, but do you anticipate an attempt to try to work on relations with other parts of the world that have been on such a backburner for the last number of years?

Ms. DeYoung: I think that with Latin America, the chances are probably zero. I think that it will be the same as every administration that says "we want to do this stuff," but unless there's an exceptional squeaky wheel there, it will be something that will go to the bottom. Interestingly, the military has really expanded its activities there. SOUTHCOM has very big plans for doing humanitarian aid, for doing development work and actually has the money to do it. In Africa, you know, there's a new military command, AFRICOM, that has some new money in it and is supposed to be a joint military civil command with the Deputy Commander of the State Department official, but there are very few civilian spots and most of them are filled. The Africans themselves are very leery about that. The administration has promised to really increase the foreign assistance budget but I think that's going to be one of the things, as always, that starts to fall off the table as they run out of money. They have a big war and a sort of almost-war still to fight, and they're very expensive, and the impact of Pakistan is going to be billions and billions of dollars.

Mr. Sanger: My fear about the financial crisis is that it becomes Barack Obama's Iraq, that it goes on for so long and occupies again so much of the brain power of the administration that thinking broadly about much of the rest of the agenda is going to become difficult. And when they do think about foreign policy, I think that Afghanistan is obviously, and Pakistan, taken as a whole and I think that they're doing the right thing by taking it as a whole, is going to very much dominate that picture. I think the decisions they have to make on Afghanistan and Pakistan are quite fundamental, yet there's the issue of the money that will be going off into Pakistan, and, you know, one of the great questions is why weren't we doing this after 9/11. When I was in Pakistan reporting on *The Inheritance*, I went to see the American ambassador in Pakistan, and she was very enthused because the Bush administration had just signed off on a \$750 million program that was going to be to do development in the tribal areas over five years. So, that was \$150 million a year and if the normal formula applies, half of it never leaves the Beltway, so you're down to \$75 million a year, and she wanted to know why we weren't writing

stories about this as a great change in our Pakistan policy. So, I think these efforts will require a lot of ramping up but I worry that a lot of the big agenda items that President Obama talked about during the campaign, he's not going to be able to focus much on.

One that he did discuss yesterday at some length, and I think he is actually quite serious about, is rethinking our nuclear strategy. I think he is the first president that I have ever heard say that the number of nuclear weapons we have is undercutting our ability to negotiate with North Korea, with Iran, with others about bringing their arms down to zero, and that has never been admitted before by a president, it has been widely admitted by everybody who's had to go negotiate in these cases, but I've never heard a president say it, and he's right. The first question you ask after you ask about what level of nuclear weapons we have right now, which is around 2300, is describe to me any situation in which we would ever conceivably use that number. And when I asked people in the Bush administration, why not go down to say a Chinese 300, the best answer I got back was, "because we don't want the Chinese to feel like they can match ours."

Ms. DeYoung: I think that David's right. I think the relationship with Russia will probably be the one thing, in foreign policy terms, that the President really does – at least he'll make an attempt.

Mr. Sanger: But you can't have this nuclear conversation without getting the Chinese into it, because they're the only ones who are adding on. And I think, I hope, I think, that they are going to come to the conclusion that sitting there arguing with the Chinese about the correct exchange rate for the Yuan is not necessarily the most profitable use of our time.

Ms. Ellis: Ok, let's open it up for questions.

Stanley Kober: Stanley Kober with the CATO Institute for Karen DeYoung. One of the things that I didn't see in your article was the constitutional limitation on gathering all of this power in the hands of the National Security Advisor increasingly. The National Security Advisor is not elected and is not subject to Senate confirmation, and yet would be superior to an elected official, the vice president, certainly to others with Senate confirmation. And I'm wondering, if that precedent is set, how would you establish accountability then with Congress, is there an executive privilege that the president invokes here? So, what example does this set for the rest of the world?

Ms. DeYoung: I think the National Security Advisor is just that, it's an advisor to the president and the president can structure his group of advisors any way he wants to, as long as they don't have statutory authority to actually do anything but advising and I think that's what he's talking about. And you can look at lots of National Security Advisors and how they have done the job, I mean no one elected Henry Kissinger, and yet he had enormous power. I think what Jones is talking about is power to structure the decision-making process, not necessarily to make the decisions, although I'll grant you that the way it's presented to the President has a big influence on how decisions are made. There's nothing constitutional that says the National Security Advisor can't chair

meetings of the National Security Council, the National Security Council isn't even in the Constitution. So, I think, the answer is that basically the President can do whatever he wants and his system of advisors and his national security apparatus runs the way he wants it to run, with influence given to people in the way that he wants that influence to be distributed. I don't understand, I don't get, why it would be a constitutional question though. I mean, he doesn't have troops, he has basically 150 people who work for him.

Dawn Calabia: Dawn Calabia, I'm the Treasurer for Women's Foreign Policy Group, and I'm glad to have you both here speaking. One of the things that is very troubling is when the discussion comes up, how do you rebuild the civilian/military competition. How do you get ready to turn back these programs and look at them? In fact, when you talk to people in the Pentagon they say 10 years maybe 20 or 25, and you can see in the cards that means it's never going to happen. In addition, things like AFRICOM, where no country in Africa, except Liberia, wants to host the thing. Nobody can understand what it does, every time they testified or came out and described it and said what it was they were going to do and how they were going to do it – the whole fact that arms control sales have been given out to the Defense Department, rather than the State Department, which used to handle that kinds of things, arming and equipping. So I'm just saying, what can we all do to try and say, "Hey guys, its time to start this in a very serious way to rebuild the civilian capacity and to have the State Department and the National Security Advisors, etcetera, to have enough weight and staff to be able to counter these tendencies, because the tendency is to go to a third party, and unfortunately that's the military in a 30 to 1 ratio.

Mr. Sanger: It's not only the money, it's not only the lift, which I think is a big element in this: if you can't get them there having them is of limited use. It's also, and I was struck by this when I was [inaudible] the question about why our foreign policy has become so militarized, it's that the quick secure video system that is now in the situation room, one Airforce One, at Camp David, its now down in Crawford. When you talk about who can be at the other end of the screen, it's almost entirely intelligence or military officials who have got that capacity. So, you've got a crisis, you've got a problem, the President goes down to the situation room, he flips on the tube, and he's not getting the leader of some NGO or the leader of a provincial reconstruction team in Afghanistan who are at the other end of this thing. He is getting a general who saying-yes sir we have a way to go deal with this problem. And, so, until we re-orient who the first one is that you can turn to, I don't think you can begin to reorient the decisions. Second, we truly need and expeditionary force, that may mean that we say that the airforce has got the lift and will provide it, but the Secretary of State needs to be able to designate that we are going to send a major humanitarian mission with a security component to it to such and such a place, and have that as ready to go as any unit of the military, because, if you don't, if you have to sit and think about organizing it, then what happens is the military becomes the stop gap and we've seen that happen time and time again.

Susan Hovanec: Susan Hovanec, retired State Department Foreign Service Officer. I was at the South Asia Bureau on 9/11 so I did a [inaudible] call every morning for a year.

Many bureaus and agencies have access to classified, immediate, live-time video interactive and the President can step in anytime he wants. We had the CIA, we had the Treasury, we had [inaudible] we had Jim Wilkinson. I'll never forget that conversation [inaudible]. I just want to say that State Department, with all its flaws it does have ...

Mr. Sanger: Yes, the State Department is on [inaudible], I didn't mean to say they were not, but many groups that are out in the fieldWhen I went back and I reconstructed with the White House who the president was talking to the most often, it struck me, and it struck a lot of people in the room, how much, the overwhelming amount of advice he got, particularly as Iraq went on, was from the military. And, how much of that time and face time he spent on that, now that was the account of the people who were sitting with him, that doesn't mean to suggest the State Department didn't assist him, but it is interesting when you go and reconstruct his days who he was listening to.

Ms. DeYoung: You know, I think it's also important to say that the military itself recognizes this and as David was saying, Gates has spoken about it quite a bit and a lot of them do. Admiral Mullen will say, will kind of bemoan the fact that, he says, it will take years to reverse this, because the military – while it moves very quickly, and that's a big part of how it gets into these situations, because they can move a lot of people really fast, and that's what they're good for, they know how to do things and organize things, that's part of what they do – but I think there are a lot of people in the military who would prefer if it were to reverse itself and are trying to be helpful in making that happen, but I think it will be years.

Lynne Gallagher: I'm Lynne Gallagher, I was going to ask about Afghanistan and Iraq. I was in Kabul the week the war started in Iraq and [inaudible] they were all horrified; the Afghans said, oh it will be good for the Iraqis, it will be good to have the Americans come and save them. And for the last two years I've been working in Iraq and it has been the military in charge of oil and everything else. But I was wondering about the relationship to Iran on Afghanistan, if there is any possibility that there could be [inaudible] that perhaps the weapons that Russia doesn't want to have pass through Russia and that [inaudible] if that can be transited through Iran.

Marlene Thorn: I wanted to comment on your statement on airtime. I'm grateful that the military has it in fact because I'm a military brat and I do think the military needs its airtime and it doesn't always need to be transparent, those are important issues.

However, back to the point that you said about airtime for the NGOs and Department of State, civilian capacities. I believe that there has been certain pressure by themselves and also by previous administrations with a lack of resources, but there is a real need to integrate these resources, the NGOs, the Department of State, USAID, and coordinate their impact in such a way that they can maximize the resources and somehow somebody needs to get equal and balanced airtime. Why have not that, which we think we need for Obama to turn on the television and get both sides of the story. Somehow that needs to be a concerted effort and I would just hope that that happens.

Donna Constantinople: My question is about the role of the special envoy. I know we have several now, more to come apparently, and in regards to Afghanistan, clearly Holbrooke is, as you said, has arrived in Pakistan today. In light of your profile of Jones and the new set-up of the NSC, how does it all work? In other words, does the envoy, is he on a fact-finding mission? If so, my understanding was, he directly reports to Obama, but from what you both have described, and I'd be interested to hear your thoughts about the role of the special envoy and how that's going to play into the état structure as you see it going forward. You've got a lot of strong personalities.

Sylvia deLeon: I'm Sylvia deLeon, a lawyer in private practice. Karen, actually both of you as you've been saying, if Pakistan has us over a barrel, I can't think of an analogy big enough to describe the situation in Afghanistan. So, my questions really is about what is the end game and if we have 38,000 troops to buy us time, what amount of ground troops does it take to accomplish whatever it is we are trying to accomplish there. I happened to be in a taxi last week, Diamond Cab #110, and the taxi driver was an Afghan who had fought against the Russians in the 80s and he said, "We would hear that the Russians were coming for our village, that they would be there in 4 hours, so we thought, wow, we have time to go out to lunch, we have time to go to the mosque and say our prayers, and we even have time to take a nap," and he said that there is really no way to win in Afghanistan, we know where every rock is in the rockiest of terrains and there's just no one who can compete on this ground level. So, with that, I wonder, what is the end game?

Question: Just want to expand on [inaudible] and talk a little bit on this question of Holbrooke: he will also have to work together with a lot of departments: DOD, Treasury, Interior, whatever, and people on the ground in Afghanistan, and in Pakistan and working ambassadors, with the military? How do you see that working out?

Ms. DeYoung: Just on the Holbrooke question, he does report to the Secretary of State, he doesn't report directly to the President. I think that, I actually think it makes sense, because if you look at what Rice was trying to do in the Middle East of the past year or two, and you saw the endless trips that didn't accomplish anything visible. You really need somebody who can be keeping a somewhat lower profile and doesn't have to produce something all the time. When the Secretary of State goes, and certainly when the President goes, you want it to have a meeting that produces some result, and the fact is, in these kinds of negotiations, often results are a very long time in coming and so I think that it does make sense. Now, it remains to be seen, you're absolutely right, we have a lot of strong personalities and who knows if they can all get along together and can work together in a way that produces an actual result, but I think – in principle – it is probably a good idea.

In terms of the end game, that's what they're trying to figure out, what is the end game? Obama has said very clearly, he said, "What is our goal in Afghanistan? We have a limited goal: to make sure it is not a platform for terrorist attacks on that country or on our allies." But what does that mean? I think it means doing a lot of work with Pakistan, and then deciding in Afghanistan how you're going to structure your security goals. There have been tons of suggestions everyday; just about every think tank in town has

put stuff out, as has the State Department, the Joint Chiefs, Petraeus is writing his thing, and they're quite different ideas to accomplish that same goal and I think that's what they're going to try to decide. I don't think anybody really thinks you can spread troops all across Afghanistan and sit in every village and make sure that no bad guys come in there, and so the question is, do you try to secure big population areas and then start to move out from there, do you want to do one portion of the country at a time, do you want to concentrate on economic development only in the places where you've achieved total security, which I think is probably what they're going to do, but if you believe, as they do, that without the sanctuaries in Pakistan, that the Afghans themselves would be much more capable, with a better trained and increased army and police force, and would actually be able to take over some of these functions, then you look at Pakistan and see what you can do there.

Mr. Sanger: Here I'm probably more pessimistic than Karen, because I think that the special envoy structure that they've set up – as one of our political reporters pointed out to me – bears some resemblance to how Senator Clinton set up her campaign, where you had people who had lined responsibility for certain things and then there were other people who sort of crossed it. So can you imagine what it might be like to be the Assistant Secretary for South Asia under Dick Holbrooke? It would be a little bit like being one of 22 junior partners to George Steinbrenner in running the Yankees. There is great possibility here that you could have very successful special envoys and not bring the rest of the department along with the process.

On Afghanistan and Pakistan, I was struck in doing the reporting for the book, by the number of people, who said – and one I quoted for the Pakistan chapter which I entitled, “How To Invade an Ally” I was struck by the number of people who believe, as one said, “Pakistan is the home game for us.” Yes, in Afghanistan we need to make sure there isn't a sanctuary and I think it is a much better goal to have that as the goal than to argue you're going to democratize the place or even create a central government in a country that has never had one.

But, it is Pakistan, where I think the insurgents are going to come to the conclusion fairly quickly, which is really their bigger target internally. Not only because it has 100 nuclear weapons, but because they have so much more of a chance of grabbing their entire state and operating the state. I'm not sure that the insurgent groups or the Taliban could run Afghanistan any better than we could, or anybody else could. But, Pakistan is another issue, and I wouldn't be surprised if a year from now, that Pakistan looks like a much bigger problem than Afghanistan.

Margaret Lehrman: Hi, I'm Margie Lehrman with NBC News, I have two questions, both for David and for Karen. The first is, David, if I understand you correctly, did you say there is equipment that goes to Los Alamos for “technical improvement” before it is given to the Iranians, and if so could you talk a bit more about that? And also, what I just wanted you to please comment on, is the release from house arrest of A.Q. Kahn and whether there is any concern about that or whether we think there is any more program or distributing nuclear devises in Pakistan?

Ms. Ellis: And I'd like to throw in and have David address the balancing act that he talked about in his article between – because of the elections in Israel – how Obama is going to have to balance trying to open the dialogue with Iran, at the same time dealing with the Israelis who have very different approaches towards Iran.

Mr. Sanger: Well, on the question of the equipment that was diverted to the national laboratories, the CIA when they were breaking up the Kahn network managed to turn a family of Swiss engineers by the name of Tinnners to become informants and operatives for the agency. And this became fairly evident to us as we started the AQ Kahn investigation in 2002 when we spent a year and a half on it before we even published our first lengthy story on the subject, and it was fascinating, the family that was sort of running the production facility in Malaysia that had sent [inaudible] to Libya, they didn't get arrested, the US didn't go after them. And it wasn't until they got back to Switzerland that two of the sons of the sort of master engineer here actually did end up in jail and when they did the United States wouldn't help prosecute them. And we kept asking them questions about why that was and kept getting very creative evasions. Over time it became evident that they were agency assets and last spring, the Swiss at US behest destroyed a good deal of the evidence that had come out of the Tinner family's computers. And this resulted in a number of court filings in Switzerland, out in the open, which we got our hands on fairly quickly and translated. It was from that that we learned that in the Tinner family files were at least 3 different fully constructed bomb designs, two of them of quite Pakistani origins it seems, that Kahn had distributed, which is one of the reasons we needed to worry about A.Q. Kahn being released because we don't know who else got a hold of those. But secondly, we discovered the whole tale of how a bunch of the equipment that the Tinnners purchased was intercepted first and turned over to them by American intelligence, sent off to the United States and then delivered to Iran. And we describe that story in the paper over the summer and I described it at some length in the book. So that was the story of how that happened.

On the question of A.Q. Kahn's release, he's not going to be wandering around Kahn Research Lab again, but I think we're kidding ourselves if we think that the Kahn network has been broken up, because by my count exactly two people have gone to jail for this and both very briefly and they were fairly minor characters in this. The CIA and the IEA (International Energy Agency) have still not been permitted to interrogate Kahn and one of the questions I put to the White House on Friday when he was released was would the policy of the Obama administration be to now insist that the CIA get to go interrogate this national hero, and I've yet to get an answer to that question. I'll be really interested to see what they say, or whether or not they are going to perpetuate the approach that President Bush took.

On the question you raised about Iran, I think however this election turns out and we'll know more probably when we leave here, I think it is clear that the Israeli government is going to take a drift somewhere to the right, and it was the existing government that came to President Bush and sought the right and the equipment needed to take out Natanz. I think that impetus is only going to grow. It's only a matter of time before they come back

to President Obama with the same request but this time, instead of the Iranians, rather than being at 3870 centrifuges, which is where they were at the end of last year, they'll be at 5-6000, which is roughly enough to produce two weapons a year. So the clock in Jerusalem is ticking on this a whole lot faster than the clock in Washington is.

Ms. DeYoung: I think that on the Kahn thing, what happened on Friday was purely a function of outstanding politics and this is another aspect that we need to be really worried about there. We've kind of put our in egg in the Zardari government basket with all the problems that Zardari – not least of which is that he's **understand** a very strong challenge from the religious parties and Omar Sharif, who has spoken out in support of Kahn, and I think that if you watch, the lawyers are gearing up for another big protest next month, and I think that the government there is on very shaky ground and that this so called release – which isn't really a release, there wasn't much to be released from in the first place [Mr. Sanger: The house is very nice. If I ever have to be put under house arrest I want to get to do it in that house]. So I think it is more an additional slap in the face on this whole issue than it is a substantive change in the situation there, and much of it has to do with Pakistani politics.

Mr. Sanger: And while I'm sure it is completely coincidental, Sharif was of course the Prime Minister during the height of A.Q. Kahn's time as exporter, the time when he was managing to borrow on regular occasions Pakistani airforce cargo planes to deliver his goods around the world. And I would be too cynical to suggest that perhaps that Kahn had said to Sharif that it would a shame if some of the records from that time period and who in the Sharif government, even perhaps Mr. Sharif himself, knew about these activities, if that happened to slip out just as he's in senior role running the country again.

Ms. DeYoung: I want to go back to a question that was asked before that we didn't really answer, and I'll do it very quickly. The questions about talks with Iran and whether you can limit them to the non-nuclear things, particular Iraq, and Afghanistan and other issues. Certainly a lot of the European governments have advocated that. I think that that's an option for the Obama administration, to pretty much put themselves in the same place that the Bush administration was in regards to the nuclear stuff and say they're going to have to meet these criteria before we'll enter into dialogue. The question they are trying to figure out now is whether on there on these other issues, there can be useful dialogue, and whether they can maintain their position on the nuclear stuff while talking about Afghanistan and maybe Iraq and other regional issues where they think they can make an approach to Iran and that of course opens the question of whether the Iranians find it useful to talk to them.

Ms. Ellis: Well, we're going to have to end tonight's wonderful program. Let's give David Sanger and Karen DeYoung a big round of applause. I think that we are so lucky to have the two of them and we're so pleased that you could all join us. Make sure to get copy of David's book the way you did for Karen's book. He will be signing his book right outside and thank you so much again for taking the time to share it with us.