

# Center for American Progress



## **SPECIAL PRESENTATION**

### **“THE TERRORISM INDEX: A SURVEY OF AMERICA'S TOP EXPERTS ON THE WAR ON TERROR AND U.S. NATIONAL SECURITY.”**

#### **MODERATED BY:**

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FOR AMERICAN PROGRESS**

#### **FEATURED PANELISTS:**

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MR. JOHN PODESTA: Good morning, everyone, and welcome. I'm John Podesta, the president of the Center for American Progress, and on behalf of the Center and *Foreign Policy* magazine, I want to welcome you to today's event on the "Terrorism Index," a joint survey created by *Foreign Policy* magazine and the Center for American Progress. I think this is indeed a timely event, given the news this morning of the arrests in Denmark and Germany. It reminds us that we still face difficult times in the world and the threat of terrorism is with us around the globe. So I think this survey and the *Foreign Policy* experts we've assembled to conduct the survey will have some important evidence to guide us.

I want to thank three people from *Foreign Policy* for their great work on the Index: Mike Boyer, who's the senior editor; Will Dobson, the managing editor; and Jeff Marn, the media relations manager. I also want to especially thank Caroline Wadhams, the senior policy analyst here at the Center who has been the spark plug for this survey and has done the lion share of the work on our end to help make this project happen.

We've assembled a great panel today. We're honored to have three of our survey participants here as panelists: Paul Pillar, Steve Simon, and Jim Woolsey. I'm going to introduce them in a bit, but I want to tell you a little bit more about the "Terrorism Index." About two years ago, *Foreign Policy* and the Center teamed up to create this Index, a comprehensive survey of top national security in terrorism experts from across the ideological spectrum. This is the third installment that the Center and *Foreign Policy* have pulled together, and we hope to continue to carry out this survey to assess progress on these issues in the future.

The idea for the Index came out of frustration with the lack of transparency surrounding the fight against international terrorism as well as the rhetoric of the so-called war on terror which seemed to obfuscate more than enlighten our country's goals and progress in this fight. The Index emerged from our desire to answer some fundamental questions about the fight against international terrorist networks, including who is the enemy and what do they want? Is the U.S. government's counterterrorism strategy effective? What does our strategy – where does our strategy need to change? How does the war on terror fit with our larger national security framework?

Thus we set out to answer these questions by turning to professionals who have the most knowledge about terrorism and National Security issues, for their opinions. The 108 experts who participated in this survey include high profile Republicans and Democrats, including former Secretary of State Lawrence Eagleburger and Madeleine Albright; Anthony Lake, the former national security advisor; Slade Gorton, who's the former senator from Washington State and a 9/11 commissioner; and many other experts from the military, intelligence and academic communities. It's an impressive group and we greatly appreciate their willingness to participate in this survey.

Unfortunately, the survey results for this installment are not encouraging. The experts are more pessimistic than ever before about the state of U.S. national security. Ninety-one percent of the experts believe the world is growing more dangerous for Americans. That's up from 81 percent when we did this survey six months ago, and 84 percent believe we're not winning the war on terrorism compared to 75 percent in January. Seven in ten think a terrorist attack on the scale of 9/11 is likely to happen in the next five years.

The war in Iraq appears to be driving a lot of this pessimism. Ninety-two percent of the experts believe that the war in Iraq has had a negative impact on our national security. By a three to one margin, experts say that the war in Iraq is the primary reason for the precarious state of the world today, an assessment that crosses the ideological spectrum which is, I think, one of the most interesting findings of the survey.

When asked about the effectiveness of the U.S. troop surge in Iraq, 83 percent of experts, including 64 percent of conservatives said that troop surge in Iraq is either having a negative impact or no impact at all on U.S. national security. I should note that most of the participants in this survey took the survey in June or in early July, and we'll ask our experts on the panel this morning whether they think that the timing of the survey may have had some impact on that particular result.

The experts also point to a number of national security concerns that deserve thinking, including U.S. policies toward Iran and Pakistan, and even U.S. energy policy. Here are a few results which I found interesting: 62 percent of the experts believe that U.S. energy policy is having a negative impact on U.S. national security. I know my friend Jim Woolsey is going to have more to say about that this morning. Seventy-four percent of experts consider Pakistan to be the most likely state to transfer nuclear technology to terrorists, while one in three believes Pakistan is the most likely country to become the next al Qaeda stronghold. Eighty-three percent do not think Iran's nuclear program is for civilian purposes as Tehran claims, but only 8 percent favor military strikes on Iran's nuclear facilities. Eight in ten believe the United States should use sanctions and diplomatic talks to negotiate an end to Iran's nuclear program.

In a minute, I'm going to turn things over to Moises Naim, editor-in-chief of *Foreign Policy* magazine, who will say a bit more about the survey, but before I do, let me tell you a bit about our panelists. Their detailed bios are in their folder. You know – most of you in the audience know them. I'm just going to be very brief in this.

But Paul Pillar is on the faculty of Security Studies in the School of Foreign Service at Georgetown University. He retired in 2005 from a 28-year career in the U.S. intelligence community. From 2000-2005, he worked as the national intelligence officer for the Near East and South Asia, where he was considered the agency's lead analyst on counterterrorism.

Steve Simon is a senior fellow for Middle Eastern Studies at the Council on Foreign Relations. Prior to the council, Steve worked at RAND and the International Institute for Strategic Studies. From 1994-1999, he also served at the White House as

director of global issues and senior director for transnational threats, where he was involved in U.S. counterterrorism policy and operations as well as security policy in the Near East and South Asia.

Jim Woolsey is vice president at Booz Allen Hamilton where he works with the firm's global resilience clients. Before joining Booz Allen, Jim served in the U.S. government on five different occasions where he held presidential appointments in two Republican and two Democratic administrations. During his 12 years of government service, Jim held many important positions including the director of Central Intelligence from 1993-1995 and ambassador to the negotiation on conventional armed forces in Europe and undersecretary of Navy.

We're honored to have those three experts with us here today. I'm going to turn the mike over to Moises, who will make a few remarks, and then we're going to try to just have a dialogue up here and then open things up for questions from audience in a little bit.

Moises?

MR. MOISES NAIM: Thanks, John, and good morning and thank you for being here. I just want to say that for *Foreign Policy*, this collaboration with the Center for American Progress has been wonderful. The results speak for themselves. This is our second – third year. We're going to continue to do it. And again, the impulse behind this effort wants to try to bring some clarity and transparency to the conversation. We were very keen in ensuring that the partisanship and the politicization of the debate were not part of our survey. And therefore we made a very deliberate effort that in our sample we have all views expressed and all perspectives and all angles of the debate.

And so one of the surprises of the results is even though we forced the diversity of the sample, the responses are quite convergent. So that's one of the first – and I don't want to go through the details. I think John did a wonderful job in summarizing the highlights of the results. You have the survey there in your hands or in the magazine outside. So I will not want to waste time just going through the results in detail. But the central theme that goes through all of their answers is the significant level of agreement that experts from very different perspectives have on what's going on. And I think that's very revealing.

I also want to join John in thanking our colleagues at the Center for American Progress and *Foreign Policy* magazine that have done this. These things don't happen just because somebody thinks about them. They happen because there's a lot of smart people that spend lots of time working on them. And John already mentioned the names of our colleagues that deserve recognition for their successful effort.

And what we were thinking of doing with you today is not to have the traditional panel discussion where, you know, each participant is given ten minutes or so to make an initial presentation, but rather have a very active conversation with you and with them,

and have exchange of views and change of subjects and disagree and bring different perspectives and encourage your participation in the conversation.

So with that, let me just start with the first question. And inevitably, the first question is that the same group of people were surveyed just six months ago. And six months ago, the results were concerning a world that is dangerous to the United States – there's a 10 percentage point increase in the perception of risk and threat and danger in just six months. So what happened in these six months? Why don't you – Jim, why don't you start? Tell us what, in your perception, could have driven this heightened anxiety about risks in just six months?

MR. JAMES WOOLSEY: I don't know, but I think it was unrealistically low before and it may still be unrealistically low. I think a –

MR. NAIM: Eighty-one percent.

MR. WOOLSEY: Yes.

MR. NAIM: Ninety-one percent now.

MR. WOOLSEY: Well, 91 may be realistic, 100 would be more accurate, I think. I think the chance of something at least as serious as 9/11 is about as close to sure as things get in international relations. My great hope is that it not be nuclear weapon or biological weapon or something like taking down the electricity grid, all of which would be far more devastating even than 9/11. I think that we will be in this war for decades. I think it has old roots going back into the history of Islam, going back into the way the Arab world was treated at the end of World War I, going back into a lot of things, our own behavior in the '70s, '80s and '90s, which tended to compromise between turning the other cheek on the one hand and starting to do something fecklessly and then backing off, on the other.

So I think there are a number of reasons why this is not likely to go away. And two things that we are doing right now to enable it are, first of all, paying for it, as Tom Friedman continually points out. This is all oil money, much of it from the Islamist perspective coming either through Iran and their work with Hezbollah, Hamas, et cetera, or from Saudi Arabia in one way or another through one route or another.

And so every – billion dollars a day, by the way, that we borrow from the world to finance our oil habit pays for this. And the other thing that MEMRI, the Middle East Media Research Institute, is now making clear in its releases is that we are hosting in the United States the websites for essentially all of the jihadi websites. And I'm not just talking about political statements. I'm talking about detailed instructions on how to attack American military bases.

So the combination of our generosity with respect to funding the other side in the terrorist war, and our – the way we run the web is really bringing to mind the old line of Walt Kelly in Pogo: We have met the enemy and he is us.

MR. PODESTA: (Inaudible) right. Should we maybe let the other panelists, Steve or Paul, respond a little bit to that question, and I'll take the next one?

MR. STEVEN SIMON (?): Well, I was part of the 81 percent six months ago as well as the 91 percent this time – (laughter) – so I can't speak for myself. But I think the answer to the question is there wasn't any one event were developed overseas, rather it was a matter of more passage of time against the backdrop of a perception that we are on the right track and we aren't solving the problem. (Laughter.) And with any kind of problem, whether it's terrorism or anything else, if that's the situation and more time goes by one gets cemented in one's pessimism.

The only thing I would add to that is you can't get away from Iraq and the Iraq war. And I think there was, before we got into this debate this summer about how well the surge is working and so on, earlier this spring, over the first three or four months of this year, there seemed to be a noticeable shift or an acceleration in – shift of opinion against the war, particularly with regard to congressional leaders especially on the Republican side. And I suspect some of that 10 percent shift reflects that as well.

MR. PODESTA: Let me grab the next question. We're going to do this a little bit old "Meet the Press" style, Lawrence Spivak style. Moises and I are going to kind of bounce back and forth in the questions. I think that I do want to get you – Moises reminded me this morning that this is a problem that's global in scale, that has many tentacles, and we don't want to just get completely focused on Iraq, but I think given the events of the week, the GAO report, General Petraeus and Ryan Crocker's report that would be with us next week, the president's trip, it's important to, I think, at least ask the question.

I mentioned in my opening comments that the survey was largely done in late June and early July. Do things look different with respect to the surge because more time has gone on and we know a little bit more about what the situation on the ground is, or do you think the experts are reflecting something that is more profound about really whether there's been any strategic change as a result of whatever tactical success has been achieved by the surge? Why not I start with you, Paul, and then we can just go down the list.

MR. PAUL PILLAR: Possibly the timing has something to do with it. I think it's much more the tactical versus the strategic. And I don't think anyone has denied that even before the current surge, even going to previous ships in U.S. deployments inside Iraq last year and the year before, that you put a bunch of troops, you increase your troop strength in a particular area – in this case is more the capital of Baghdad – you're going to have a positive effect in being able to secure at least some of the ground that you hope to secure. I don't think anyone denies that.

But when it is simply on a more strategic level, more of the same, as I think – you know, what the president announced in January was, in my view, correctly perceived by many people. More of the same, of an overall approach and an overall policy that in so

may ways reflected in the survey, has had negative effects particularly with regard to indirect effects on the terrorist threat we faced, that the conclusion with the strategic point a view has to be no, it hasn't helped. It simply hurt.

MR. PODESTA: Steve?

MR. SIMON: Sometimes – is the mike on?

MR. PODESTA: I think so.

MR. SIMON: Thank you. Sometimes your tactical successes can compound strategic problems and this is what's at work with the surge right now, because as Paul pointed out, the concentration of U.S. forces locally has stemmed violence in those areas where force has been concentrated. But that's had the effect of squeezing the violence out into other areas, and essentially widening the pattern of violence in Iraq in a way that over time has further weakened national cohesion.

So all in all, it's not been successful on that score. But also strategically, the surge was supposed to provide the space in which the government in Baghdad would pursue a program of reconciliation. That has happened. And it hasn't happened largely because we made up the word "reconciliation" and imposed it on the poor Iraqis, like we've imposed so much else on poor Iraqis. And they have resisted applying in the process their own definitions to reconciliation.

And for the Shi'a, a reconciliation in this instance means justice, or at any rate, reconciliation must be preceded by justice. They are not going willingly to give up their claims to justice. For the Sunnis reconciliation means restoration, in effect. And for the Kurds, reconciliation means the status quo will continue to obtain for them. They'll have their autonomy and they will also have oil. None of these definitions of reconciliation aligns very well with the U.S. definition of reconciliation, so the whole thing has been kind of a silly exercise.

MR. WOOLSEY: As Zhou Enlai said to Kissinger when asked about the effects of the French revolution: It's too soon to tell. I think the key thing is whether or not Iraqis begin to see some security in their individual daily lives and (unintelligible) that is happening more in Anbar and some nearby places. A large part of that has to do with changed with relationship with the local sheikhs beginning to work through them instead of against them, and anyone who knew the history of that part of the world would have said that should have started a long time ago, but General Petraeus deserves a lot of credit, I think, for using his forces in such a way as to begin to help make that begin to happen.

I think the key thing is not whether the three major groups in Iraq reconcile or start to like one another, but whether they can hammer out an oil law that allocates enough to the Sunni segment since the Kurds and Shi'a already have (unintelligible) of oil, which – enough for the Sunnis that they are willing to coexist. I think that – I don't know whether to call it soft federalism or whatever, but I don't know that there needs to

be a great deal of central authority in Baghdad, and if one can with the progress that's been made so far by General Petraeus, begin to see expansion of what's happened in Anbar and at least people standing down and enough oil through some sort of compromise allocated for the Sunnis, one could have a reasonably decentralized state that was not a disaster.

At this point, that would, I think, be regarded as a relative success, quite a – that's not what a number of people envisioned originally. It's not what – it's not reconciliation. It's not what is compatible with a lot of the rhetoric, including some of my own about the importance and possibility of democracy in Iraq, but it could work, and I just don't think we know yet.

MR. NAIM: I liked Steve's taxonomy of reconciliation and how it means different things to different groups and how it has an element of imposing a cultural dimension in what's not, because for many reconciliation is nothing but power. For others, reconciliation is nothing but oil. If I – this is not about a dispute that has to do with liking or not liking the other part, but this is, in many instances, a dispute about who is going to control a pile of money that is out there. So it's about – or who is going to control the leverage of power in the country, and for many of them it's just waiting and getting to the pot of gold that is at the end of that waiting game, and so there's nothing to reconcile if I just wait, I'll end up controlling one of the largest reserves of oil in the world. And so it's not about liking or reconciling or having almost a spiritual rapprochement with the other part, is that I just want to grab a chunk of power or a chunk of oil.

And in that respect, I also wanted to ask you that one of the central themes of why the Iraq war is so important and needs to be won by the administration and others is that it has regional consequences, that a withdrawal, a defeat of the United States has a domino-like effects, and you know, the line that we're fighting them there, not to fight them here, and if we leave, they're going to chase us, the enemy will follow us home. An overwhelming majority in the survey doesn't think that's the case. Most of the experts in our survey don't think that the enemy will follow us home. So I wanted to ask anyone in the panel if you believe that how much – how much are they going to follow us home if the United States withdraws?

MR. SIMON (?): I think we're going have to fight here regardless of how well or how poorly things go in Iraq. I think it's a snare of delusion to believe that we're not going to have to fight here and that we're not going to face at least a replay of 9/11. I do think that because they see themselves as having succeeded in some combination, Sunni, Shi'a, different people have different roles, of having driven us out of Beirut in '83, out of Mogadishu in '93, driving Soviets out of Afghanistan in the '80s, they see the West in general as quitters, and when they don't quit, they do something feckless like drop, put, or shoot a few cruise missiles into an empty building in the middle of the night.

So I think our reputation for weakness and fecklessness is plenty big in that part of the world, even without pulling out, even regardless of what happens in Iraq, but I do believe that this isn't an honor and shame culture we're dealing with, and that they

believe they can shame us in a big way by having an outcome which leaves, let's say, al Qaeda in Iraq with their bases of operations in Anbar and Iran with decisive influence in the South –

MR. NAIM: That would be an outcome that inoculates the United States against that, against the culture of shame and honor triggering. What would be an American – or outcome that could prevent?

MR. SIMON: The one I described earlier, I think, helps some, but it doesn't free us from needing to defend against another 9/11. The notion of a lightly federal state which – I mean, obviously culturally it's completely different, but Switzerland does not have a strong central government. It's possible to –

MR. NAIM: It would still be very anti-American, right?

MR. SIMON: Well, I don't know. The Kurds won't be probably. With the Sunni and the Shi'a, we'd have to see. But if they aren't engaged in a very large scale civil war and if the Iraqi Shi'a Arabs assert themselves to a degree against the Iranians, and al Qaeda isn't running Anbar, that's a better outcome from the point of view of not encouraging the terrorism, but I think we're going to deal with the terrorism anyway.

MR. PILLAR: I agree with the first thing that Jim Woolsey said that we're facing a threat here in our homeland regardless of how Iraq comes out. This business about following us home, it's really become more of a slogan than an argument. I haven't really heard the logic explained too much. It's as if terrorists were polite enough, you know, to have the courtesy to fight us only one place at a time, or as Steve's former boss, Dick Clark has put it, this is likening terrorist to puppy dogs who will follow you home when you pick up a stray. They aren't like that, and the business about "we'll fight them there rather than fight them here" makes the mistake which I thought none other than Secretary Rumsfeld had dispelled some time ago when he asked the very important question "are we generating more terrorists faster than we're killing them off," you don't have a fix number of bad guys out there. You know, we're always going to be just in Iraq or just in the United States, or just in Europe, some place else.

You know, one of the unfortunate effects of Iraq is reflected in the judgments in the survey has been the pie has increased, as the economists would put it. The overall level of antipathy toward the United States, part of which is reflected in extremist violence and the willingness of people to do us harm through terrorist methods has increased. There're two other distinctions I want to – well, one other distinction, one kind of historical comparison. The distinction that gets lost in a lot of the debate and rhetoric about will they follow us home, what are the other consequences, some of which you mentioned in terms of regional follow up, we have to ask ourselves how much of this that we fear would happen no matter when we get out, whether it's over the next six months or two years from now or four years from now. How much different will it be later on after more expenditure of blood and treasure versus whether we – versus doing it sooner? That's the real policy question I think that needs to be debated.

And the comparison is with Afghanistan and the role that it played during the jihad against the Soviets in the 1980s, and we're still feeling the effects of that today. It was a wonderful networking opportunity for jihadists and Islamists of various nationalities. It was a training ground in terms of acquiring the skills with firearms and munitions and so one that could be put to terrorist purposes, and it was a tremendous inspiration, defeating and indeed leading – helping to lead to the disintegration of one superpower.

Now, Iraq is the biggest and most salient jihad and it unfortunately is serving some of the same functions, the effects of which will be felt years from now regardless of what we do as our policy choices over the next several months or the next year, and in addition to that, it has provided a propaganda bonanza for the likes of al Qaeda and the jihadists in playing to all of the worst aspects of the Bin Laden's style doctrine that the United States allegedly is out to occupy Muslim lands, kill their people, and exploit their resources, none of which is of course true in terms of our actual intent, but that's how it's seen.

MR. PODESTA: Well, Paul has shifted our focus from al Qaeda in Iraq to al Qaeda in Waziristan. So I want to stay with that for a second. I noted these arrests this morning in Germany. There's a preliminary report on television, so we'll find out whether it's true, but there are some – at least early reporting that the people arrested were trained in Pakistan, and I think one of the interesting findings in the survey was the bleak view that people felt about Pakistan, both from the potential of being the most likely place to transfer nuclear technology into potential terrorist hands, as well as a significant number of people who thought that Pakistan would become the next safe haven for terrorists to operate in (inaudible) it is in many people's mind, but there's quite a bit of activity now on the political front of Pakistan, and I guess I just would like maybe to start with Steve and then ask Paul and Jim, what their take is on what's happening there today with – with President Musharraf, with Benazir Bhutto going – you know, about to go back to Pakistan and the political situation, the violence that's on the streets today, what's the – likelihood of a stable Pakistan being with us six months from now?

MR. SIMON: I think six months from now you'll probably see a stable Pakistan in as much as Pakistan is stable. Benazir Bhutto is not the only returnee; Nawaz Sharif is also returning. All these politicians have well-deserved reputations, indeed well-cultivated reputations as being feckless opportunists whose primary interest is in their enrichment and not – their self-enrichment and not the betterment of Pakistan or Pakistan stability. I'm being generous, of course – (laughter) – ask me later what I really think.

You know, the corps commanders in Pakistan appear to be loyal, that is, they appear to be loyal to the state such as it is. This is a good thing. It's especially important that the Rawalpindi corps commander be in this mode, and people believe that he is, so the chances of a complete collapse, at least in the near to medium term, are highly unlikely. There is, I think, justified concern about the junior officer corps and the degree to which the majors and captains in the Pakistani Army are immune to radical influence. That's a concern not just for the future. It's a concern for the nearer term because it is important to know in advance whether the troops will shoot in the streets if you order

them out into the streets to shoot. There's an early indicator that things are holding in that regard and the way in which the Red Mosque siege was handled by Pakistani forces.

Now, you know, the bigger picture, of course, is that Pakistan is fighting all these wars at once. It's got a civil war in Baluchistan. It's got a secessionist movement in the northwest, and it's still dealing with the Kashmir problem. This is an overburdened country with an underqualified leadership. That's bad. The centrifugal forces are bad and probably going to be difficult to control over the longer term. Now, whether nuclear material devices or what-have-you get transferred to terrorists, well, I guess that that is a concern and we really want to have for the foreseeable future as strong, a central government to Pakistan as we can manage among all these adverse factors.

I would just add that for the war on terrorism, the key thing seems to me, as for the leadership, Musharraf in the present case, to broaden his political base as much as possible in order to be able to pursue the war on terrorism as it exists – as it's confined to Pakistan right now, and you know, this is crucial because of the links between Pakistan and a number of serious conspiracies that have emerged in Europe over the past year and a half. Al Qaeda is very well established in Waziristan and there were indications that bin Laden or the war council or however you want to phrase it is aiming to develop a kind of expeditionary force of European-born or European-raised South Asian and other Muslims. And this is a problem that has already emerged, as I've indicated, and will get worse, it seems to me, in the coming years.

MR. PILLAR: Right. I'll add just a couple of observations to what Steve said. Pakistan and its seven decades of independence has historically fluctuated between periods of military and civilian rule, where one or the other is in power for several years before Pakistanis get sufficiently disillusioned and disgusted with the current set of rulers and then the cycle goes to the other direction. And both sides, the civilian leadership and the military leadership, have demonstrated ample reason for the Pakistanis to get disillusioned. Steve drew attention to some of the more pecuniary motives of the civilian leadership.

I call your attention to an item in the *Foreign Policy* magazine, the current issue, a review article of a book about the Pakistani military's economic activities and how much that seems to be designed to, among other things, maintain a comfortable lifestyle for the senior leadership. So I think what we're seeing – we're near the end of one of the military rule cycles and we're going to cycle into something, whether it's civilian leadership, whether it's Benazir Bhutto or Nawaz Sharif or someone else who emerges will have – be exerting more power over the next year or two.

The other point is, looking at this as a U.S. foreign policy problem, and I think the indecision or indecisiveness reflected in the poll results that was mentioned, reflects the inherent dilemmas and tradeoffs and difficulties that our policymakers face when they look at Pakistan and the stakes that we – we, the U.S. has there. There's the nuclear weapons issue, control over nuclear weapons. There is the whole Pakistani-Indian relationship, the standoff with another nuclear weapons power. There's the problem of Waziristan and radicals running around in the federally administered tribal areas. There's

the overall problem of political stability, and there's the issue of human rights and democracy.

These are all important things. They don't all point in the same direction, and I personally have a lot of sympathy for our policymakers, and sometimes cringe at some of the criticisms directed against them, including directed against the Bush administration for having to juggle all these interests, and there are tradeoffs even in the counterterrorist area between, say, the short-term one of leaning on Musharraf to do more about the Waziristan problem, but Musharraf's our guy to do it, versus the longer term consideration of what kind of political system in Pakistan might be less likely to breed future extremists, perhaps a more democratic one. The policy dilemmas abound.

MR. NAIM: Let me ask you to help us understand a contradiction or even paradox in the results of the survey. Most of the respondents are very, very critical of the very controversial intelligence policy practices, rendition, detention of terrorist suspects at Guantanamo, domestic surveillance, all of what you know are the very hot issues that are being debated. So there's strong criticism against those policies and practices, but then there is great recognition about the role of the intelligence agencies that practice them. In the survey, the respondents ranked very high the NSA and the CIA and all the intelligence agencies. So could it be that there – are we facing a little bit of hypocrisy here in which, you know, you denounce the policies, but you congratulate the people executing the policies? How do you explain the variance between these two responses? Jim?

MR. WOOLSEY: Well, I think a lot of people recognize that in circumstances of great difficulty, the intelligence agencies and the bureau have a lot of people in them who are working hard to try to keep from having another 9/11 or worse, and there's a certain sense, I think, of admiration for that and I think justifiably so. A lot of the shortcomings, certainly not all, of the intelligence agencies and the bureau leading up to 9/11 were the results of policy decisions that people had made going back into the '70s. The most famous is the barrier between folks working on criminal matters, including terrorism and those working on counterintelligence even talking to one another, and you can see in some of the recent reports of the CIA not informing the FBI of this and not informing FBI – they were doing what was being done within the FBI, the one part not informing the other and the reason was policies had been adopted to do that, for civil liberties reasons, some of it going back to FISA and its original version, some of it having to do with the decisions that were made in the '90s.

So they have – actually, a lot of them worked very hard and done some very able things in the face of difficulty and in the face of having some of the techniques that they've used, whether it's interrogation or rendition or whatever, are increasingly called into question. So I don't – I don't see it as hypocrisy. I think these policies are – we can pick them one by one. They are controversial. I'm in favor of some of them, not in favor of others. But whatever you think about those, I think you have to admit that the life of an FBI agent or a CIA officer these days working on terrorism issues, has got to be an extraordinarily difficult one and one that most of us, I think, ought to be pleased we have people who will undertake that kind of effort.

MR. NAIM: Paul, would you like to add –

MR. PILLAR: There's no hypocrisy or contradiction at all. Those agencies don't make the policies that are controversial. Whatever NSA does in the way of controversial intercept practices and so on reflects policies that were made in the White House, or the office of vice president, the attorney general was involved and so on. Likewise, whatever CIA does in the way of activities that may come under covert action findings are specifically directed and authorized by the president through those findings. So it's – one is a matter of agencies doing their business and work is assigned, the other is an issue of policy which is not for those agencies to decide.

MR. PODESTA: This part of the discussion leads me to ask our experts on the panel a question we didn't ask in our survey which is to grade on the curve of – again, I note the arrest in Denmark and Germany – our European colleagues – the assessment of the experts is relatively bleak in terms of the – our ability to counter the terrorist networks. Are our European colleagues getting this more right? Are they – have the policies that have been adopted in Europe which is – to some extent, a similar mix and to some extent not different, or is this fundamentally an assessment again leading back to the strategic failure of the war in Iraq? Paul?

MR. PILLAR: Maybe Steve would be better (inaudible).

MR. SIMON: Our European colleagues have a very serious problem because the demographic changes in Europe in a particular way in which they have come about have introduced a certain threat domestically within Western Europe that we really don't have here, at least in the same way and at least yet. I think, you know, overtime they'll have to adopt a kind of – I don't know – Israeli approach to the problem which they sum up in the phrase “mowing the grass.” I think it's a brilliant metaphor actually.

The Europeans are not going to be winning any major or total victory in the war against terrorism, precisely because of the long-term social dynamics that are playing out in their country, but they will have to mow the grass. Over time, they'll get better at it. Bear in mind that European services are like our own really, both on the law enforcement and intelligence side, are not used to dealing with this particular adversary. The British, for example, are used to dealing or became used over many years to dealing with an IRA threat and you know, doing a lot of work in the counterintelligence area against the Soviets with respect to the IRA. You know, you had one bunch of doughy white guys infiltrating another bunch of doughy white guys. Okay, you know, so they managed even there it took them 80 years to deal with a relatively small number of killers. So you know, the problem that the European services face now is all that much harder because of the interethnic differences that are both a symptom and a cause of the problem they face.

MR. WOOLSEY (?): The Europeans do have a bigger problem, I agree. Partially, it's demographic. Partially, it's the cohesive nature of some of the immigrant groups like some of the Pakistani areas in Britain, which we really don't see nearly as much here. Most American Muslims, Arabs are integrated far better into American life

than is the case of Europe. On the other hand, the Europeans are unconstrained by things even close to our Bill of Rights. Britain preventive detention, for example, is – one argues how many months, but it's – they don't have to go through the business of people being material witnesses and conspiracy theory and so forth the way we do, and there's no way to say habeas corpus with a French accent.

If you look at the continent and these investigating magistrates and the power that they have on areas like this, it's something that is absolutely stunning to anybody who's ever studied constitutional law in the United States. So the Europeans, particularly when they – some of them lecture us about civil liberties issues and the war on terror, I'd suggest everyone to just have a brief read of the Code Napoléon. You'll see what they can do.

MR. NAIM: Before we open the floor to you and your questions and comments, I want to ask the three experts about their views on the change and continuity on the larger war on terror. There's no doubt that any new administration would want to revise, adjust, reform the approaches that the Bush administration has taken to the war on terror. What do you see as the elements that will have strong continuity and the likeliest targets for change and reform of what the United States is currently doing in fighting there? So let's start to have people (inaudible).

MR. PILLAR: The things that come immediately to mind that should be, will be elements of continuity that greatly increased emphasis since 9/11 on aspects of homeland security. We all know the problems that the Department of Homeland Security has faced, but there is no question that in terms of defensive security countermeasures, particularly with regard to things like aviation security, we are safer in that regard than we were prior to 9/11. Much has been written, I think, or (unintelligible) about so much more that needs to be done with regard to port security and so on, but the home basic homeland defensive security countermeasures area, I think – area of continuity.

The other big area of continuity, which really is one where we were doing a lot before 9/11, even though it wasn't visible or not known, is the cell by cell, terrorist by terrorist, day-to-day work that the likes of our intelligence and law enforcement services do in trying to break up terrorist infrastructures. Most of it doesn't get publicized. Most of it is such that the successes are hard to identify in the sense of, you know, we avoided a bombing next Tuesday against the U.S. embassy, but nonetheless it's important work that's been going on for many years, and that has to continue.

In terms of what needs most to be changed, I think that gets into areas that go beyond what most people consider War on Terror, capital W, capital T, but rather larger aspects of the U.S. foreign policy, some of which have been tapped by the survey that involve Iraq, that involve U.S. relations with the Muslim world, and they are far broader than come under that label, but nonetheless, in my judgment, will have at least as much effect as things I've just mentioned on the degree of terrorist threat that American citizens will face five years from now and ten years from now.

MR. WOOLSEY: I agree with Paul on the – well, on everything Paul has said since we – since we've begun, but particularly on the last point about the way in which our counterterrorism policy is likely to be better situated or better integrated rather with our foreign policy. The bureaucracy in the Bush administration, particularly in the intelligence community has understood the need to better integrate these things, and I think in some theoretical sense this has been understood at the White House as well, but it's been impossible actually to do this.

The only minor point I would raise, maybe a gloss on what Paul has said is that one thing that we will continue to need but probably not have no matter who is in the White House is a deployable door-kicking capability. This has been a vexing problem – well, going back at least 15 years or maybe more, but I mentioned in this respect the reporting by Mark Mazzetti in the *New York Times* a little while ago about an aborted raid that was to have taken place in Pakistan that would have targeted Ayman al-Zawahiri, who we know is bin Laden's right-hand man. The U.S. military, the Defense Department got the order to pull together the raid, but at the end of the day the package that they put together would have been enough to invade the Soviet Union. I mean, it was like Barbarossa and the White House correctly said, well, no, we're not going to this because we actually don't want to destroy the Musharraf government in the process of getting Ayman al-Zawahiri. And the question arises why didn't we have a small package we could actually send in, something that would be useful. Anyway, this has been a vexing problem for a long time. It's not going to change, but one hopes it would.

MR. SIMON: I think the single most important thing for us to do is going to take while, but we need to get started really hard is to stop paying for the war on terrorism, and we borrow billion dollars a day. Two-thirds of what we borrow that – just for oil, two-thirds of the proven reserves in the world are in the Persian Gulf. This part of the world, 22 Arab states, plus Iran, Bernard Lewis points out, have a population about that of the U.S. and Canada, and those 23 states export to the world, other than oil and a little bit of gas, export to the world less than Finland, a country of five million people. Everything is paid for from this part of – comes from this part of the world by oil. We have got to change that and change it fast.

A century ago, salt was a strategic commodity. It mattered whether your country had salt mines. People fought wars over salt mines. There's been book written about this recently, a very good one. Electrification and refrigeration changed that because it destroyed salt's strategic role as the only way to be able to preserve food and particularly meat for long periods of time. Now, you have refrigeration, and so nobody cared where salt came from. It's still useful. We still buy and sell it, but nobody dominates his region because he has salt mines anymore. We have to do that to oil. We have to destroy it as a strategic commodity. It doesn't mean that we won't use it for chemical plants and for some purposes. It's a useful substance. But we've got to get going on that. We've got to get going on it hard, fast, with massive dedication, and it will take a while, but not quite as long as the pessimists suggest, and we can talk about it later if you want.

MR. PODESTA: I think we're going to turn things – open to questions from the audience. We're taking several questions. One of the things that didn't come up – well,

Paul sort of raised it in the context of how we – of our overall national security posture is the Middle East peace process and how central you think that is to resolution or long-term success in what our expert panelists pick as the most – one of the most important things over a ten-year time horizon which is winning the hearts and minds of the Muslim world. I guess I'd like to ask – just as we get the microphone ready to ask your questions – do you think is possible to win the hearts and minds of the Muslim world and how central is changing the U.S. (unintelligible) in playing a more constructive role on the Palestinian-Israeli question central to that enterprise? Paul?

MR. PILLAR: Playing a more constructive and energetic role is very important to that enterprise. I don't think we can judge the results in terms of winning or losing. It's a matter of degree. And I salute the secretary of state and her apparent desire and at least the effort she's made so far that seem to recognize that.

MR. SIMON: I think it's also very important. Winning hearts and minds is going to take a long time. I think everybody understands that the motifs, images that dominate the imagination of Muslims, particularly Arab Muslims go back a long way. They were introduced into the region by other empires and prospective empires that sought to control that area, in particular the Nazis and then the Soviets. These images entered the discourse, the conversation of elites in the region a long time ago. They're pretty firmly embedded and they're going to be really difficult to shake loose.

Doing something to show that we are aware of the plight of the Palestinians, I think, would be helpful in forming a better image for the U.S., or at least removing some of the hard edges of the images that do exist, but I don't think mere process is going to be enough to do this. I think there will have to be some results. And I would just add that any administration now is going to have a hard time managing this because of the role that Hamas now plays in Palestinian politics. This is going to be an enduring role and indeed a structural role. So the U.S. is going to figure out how to square that circle and it's not going to be easy because the Hamas program, at least that part of it that the U.S. finds so irritating, justifiably so, is also not going to evaporate.

MR. PODESTA: Questions? No, go ahead, Jim.

MR. WOOLSEY: If you look at both the President Clinton's and Dennis Ross' books about the closing days of the Clinton administration, you see the offer that Arafat turned down and Barak approved which was 95 percent of the West Bank plus 3 percent compensation from Israeli lands, billions of dollars, two neighborhoods of the Old City, a capital of the Palestinians in East Jerusalem, and on and on.

Now, if you look at what Olmert seems to be saying, it looks as if the current Israeli government would probably be willing to go along with something along those lines. The reason, I think it's not going to happen is not because the United States is not putting sufficient pressure on Israel. The reason is that if a settlement like that today were implemented, no safety or security would be possible for Israel under the circumstances. Israelis in the West Bank would be killed. They would not be treated the

way – the way Arab Israeli – Israeli Arabs are treated who live, let’s say, in some place like Jaffa.

So once you have an evolution, and it will take defunding of Hamas and Hezbollah by Iran, it will take a lot of changes. Once you have an evolution, so that an Israeli settler in Hebron is safe and secure living in a Palestinian state as an Israeli Arab is living in Jaffa and can speak freely and can worship who he wants to worship, the way that Arab Israeli living in Jaffa can, once those changes come to the Middle East, at that point, and I believe many decades off, I think you’re going to be able to have a settlement. I think the problem is not that the United States isn’t leaning enough on Israel.

MR. PODESTA: Questions? Just please identify yourself.

Q: My name’s Jacob Shibel (sp). I’m a graduate student at American University. My question is directed at Mr. Woolsey. After reading George Tennant’s book and something you alluded to earlier, the threat of nuclear terrorism seems to Tennant almost likely. It seems – he says it keeps him up at night. How real of a threat do you think that is?

MR. WOOLSEY: Well, nuclear in the sense of dirty bomb from radiological material is unfortunately very easy to do with material that’s easily available in the United States, and that could contaminate an area, increase cancer risk, let’s say, such that it would be devastating from the point of view of the economy and national operation and so forth, but not – would not kill many people, but having an actual nuclear weapon detonate is, I’m afraid, also although not nearly as easy as a radiological weapon, a lot of easier than I wish it were.

Keep in mind that although we tested the plutonium bomb that we dropped on Nagasaki, at Alamogordo, we dropped the Hiroshima bomb, a highly enriched uranium bomb in combat over 60 years ago without one ever having been tested in the history of the world. It’s a simple shotgun device and the plans for that are on the web. So highly enriched uranium acquired however, set off by relatively unsophisticated people is not an impossibility. I wish it were, but it’s not, and then of course, one has the loose nukes problem of the – oh, the Soviet nukes, U.S. and its allies, and Nunn-Lugar and otherwise did a good job of getting a lot of that material out of places like Kazakhstan, but for years Russia has been sufficiently lawless and organized crime groups and the rest had been sufficiently prevalent that the possibility of small nuclear weapons having been bought or sold in the international under the table commerce cannot be excluded.

So I’m afraid – I wish I didn’t share George’s concerns about this, but I do. I think it’s something that al Qaeda has gone into trouble to get fatwas endorsing. It is, I’m afraid, our number one terrorist problem.

Q: Hi. I’m Lydia Seizer (sp) I’m a recent graduate of Brown University and I’m working as an intern at the Center for Strategic and International Studies. I’m just

wondering how much of an effect do you think the drug trade has on terrorism in relation to the oil trade.

MR. PILLAR: There's still an economic aspect to it. We're talking about Afghanistan and talking about the Taliban, but I – to try to make that comparison – I think in terms of sheer dollars and/or rials or whatever and ones that make their way directly or indirectly in the terrorists' hands, I would not put this the drug trade issue on anywhere near the same scale as what Jim Woolsey has already addressed with regard to the petrol dollars and what that means in terms of indirectly, in many ways, supporting Middle East terrorism. So it is a factor with regard to South Asia and Afghanistan, but I would put it as a – its scale much less than what has already been addressed regarding oil.

MR. PODESTA: Take one, two.

Q: Hi, Mary Louise Kelly with NPR. I wanted to follow up, John mentioned a little bit the thwarted attacks that we've apparently seen announced in Germany this morning, and I had two questions just curious what strikes you all, it's early days, still early hours, I guess, but one is I was interested in that the apparent targets were hard targets: the Frankfurt Airport and Ramstein Air Force Base. And I'm curious what significance you may attach to that as opposed to, say, train stations or softer targets, metro targets, for example, as we've seen in Europe, and also that the three people who've been detained, I've heard to be two Germans and one Turk, which would speak to more of a homegrown threat which all of you have addressed a little bit, but as opposed to this threat that we hear a lot about North Africans coming up, terrorists being exported out of Iraq and moving into Europe.

MR. WOOLSEY: Airports are – you know, think of it as an aviation target, and aviation has been a favorite target of terrorists for a long time. Airports as a subset of the aviation target also go back a long time. Remember Ahmed Ressam, the Algerian who was arrested at Port Angeles, in the context of the millennium plot was going to attack the LA airport and there was an attack at the LA airport, I think, but it was a deranged gunman. It was a separate incident. We have seen in Britain in attack against the airport in Glasgow.

I think there's something of a fad or a fashion factor here or copycat. People are inspired by these sorts of things. So I'm not all that surprised as to the homegrown threat. Converts play a significant role in European terrorist networks, so that's an ongoing factor. I think it's cliché, but it's nonetheless true that converts can take a much harder line on their adoptive religion than people who are born into it, perhaps in part because they're eager to prove their new bona fides, or because their conversion took place in a radicalized context so they came in in that way. In fact, their conversion may have simply been another manifestation of a radicalization process that they were already undergoing, so perhaps no surprise there either.

MR. PILLAR: Mary Louise, let me just – on your first question add this comment. In choice of targets, it often is and may well be the case in this instance of the terrorists having to weigh operational feasibility versus the symbolic or other

attractiveness of the target, and I think something like an airbase in which U.S. and Germans, both have operations would have particularly for symbolic reasons, the political statement would make – would be a very attractive target even though the terrorists know full well that it would be harder operationally to tackle than a train station or something. So that's calculation they're always going to do, and in some cases the calculation is going to come out – the conclusion will be in one direction or the other – another instance will be in other direction.

In this instance, if those reports are correct, I would surmise that they recognized it would be a tougher job, but if they managed to pull it off, it would be kind of a twofer, hitting something that United States has a stake in, if it's a base that we use. Also, hitting the whole idea of – in this case, German cooperation with the U.S. military, one more way of trying to strike a blow against allied cooperation to demonstrate to the Germans that they have a price to pay for cooperating with the U.S. and the U.S. military. These are all the sorts of very attractive symbolic messages that could be sent if they could pull off anything at a place like Ramstein.

MR. SIMON: I just want to add a point. If these – turns out that these two of the three in Germany were ethnic Germans. This will be something that we've seen before in Richard Reid, in Jose Padilla, in recruitment efforts by al Qaeda of Bosnians who don't look as if they're from the Middle East, maybe even blond-haired, blue-eyed Circassians, et cetera. There's going to be a lot of effort by the terrorist groups to recruit people who don't look as if they are Arabs or are from the Middle East, and as was said sometimes converts can be extremely fanatic in these matters. I think one of the central al Qaeda people called (inaudible), their spokesman who talks in a lot of their videos to the West. So this is – we're going to see more and more of this and it's potentially an effective technique for them in more than one way.

MR. PODESTA: Last question.

Q: My name is Ed Powers. I'm a semi-retired NASA engineer. It seems to me that by far way the most dangerous place in the world is the Arab-Israeli conflict, particularly what was demonstrated last summer with Hezbollah and Israel, and it also appears likely that within a reasonable period of time, Hezbollah can and will have the potential for destroying most, if not all, of Israel. We don't know quite Israel – what Israel will do in the short term, but it seems like we seem to bury this issue – bury this potential and have a paralysis in trying to deal with it. Disarming Hezbollah is likely very, very difficult. How do you all feel about this? It appears that in the not too distant future, something can happen there which will inflame the whole area with Israeli retaliation, and I don't know what we can or should do about it. How do you all feel about that?

MR. WOOLSEY: I'll start. The Persians invented chess and they played well. Right now, I guess the most lethal piece of queen is their nuclear weapons program and I have various rooks and pawns scattered around Syria, Hezbollah, Hamas. If they – they end up effectively having fissionable material or otherwise acquire something, say, from North Korea, then one of the ways they might try to carry out Ahmadinejad's threat to

destroy Israel would be via Hezbollah and some sort of nuclear weapon. It's not farfetched. It may not happen – I certainly hope it never happens, but it might not be possible for some months to a few years, but it is something we have to start thinking about and finding about and figuring out how to deal with it. I think the Iranian hand behind most anything like that is likely to be the decisive one.

MR. PILLAR: I'm glad you raised the question of Hezbollah since we didn't really address it before. You are talking about a group that Richard Armitage once described as still the A-team of international terrorism. Now, I think in terms of capabilities, that continues to be true. There's no reason to doubt it, but you have to consider not just capabilities but intentions and also, you know, the standing and the perception of the group in other eyes. And whether we like it or not – and there's plenty of reasons for us not like it – Hezbollah in the eyes of most other Lebanese and indeed in the eyes of most Middle Easterners has become a legitimate political actor in Lebanon. We've seen the political support they've gotten. They have scored all kinds of successes in playing the largely peaceful political game in Lebanon, even though they still have their militia and their dirty work departments under Mugnyyah, which has the capability that I referred to.

I think the Israeli-Hezbollah war last summer, one of the big lessons that I would draw from it is you're not going to crush Hezbollah through military force, and you know, that war was a military tactical defeat in many ways for Hezbollah. The Israeli defense forces did inflict an awful lot of harm. Politically, it seems to have been if anything a success for them, and Nasrallah made the most of this.

So I don't see that equation changing a whole lot. I also don't see any particular reason, certainly short of something we might do or someone else might do, to get the Iranian patron that Jim Woolsey just mentioned, to get the Hezbollah client – which isn't a puppet although it's still a client – to strike back. I mean, the main thing I'm having in mind here is a military clash between the United States and Iran. Then this particular globe certainly would come off for these fists would be used. Short of that, I don't see any reasons either from Iran's point of view or certainly from the point of view of Nasrallah and Hezbollah to go out and try to crush Israel. They know they can't do it and it would lead to some of the very inflaming of the region that would redound to their own disadvantage that I think your question alluded to.

How do you deal with it? I don't have a good formula, and given the group that up until 9/11 was responsible for the single biggest, most deadly act of terrorism against U.S. citizens, the bombing of the Marine barracks in 1983, given that we can't forget that and given that it is still a terrorist group and it does have this capability, we can't just join the chorus of, well they're another legitimate political actor. Of course, we can't do that, but we're faced with those realities I just described, and I think it's more of a task of keeping a lid on things while continuing the task of someday – I'm not predicting it – but someday I would hope that Imad Mugnyyah would come into custody and he would pay for his crimes, but until then we just need to keep the enflaming from – and the spread of violence from occurring.

MR. SIMON: If I could just add to that. Sheikh Nasrallah said shortly after the summer war that Hezbollah had made a serious mistake starting it, and he said that not because he's prone to self disclosure and public self criticism as a person, but because Hezbollah within the Lebanese political context had come under a lot of criticism and Hezbollah, which has connections in Europe that are politically important to it, had put those connections at risk.

Just to follow up on Paul's closing point, however, we should take note to the fact that UNIFIL 2 is on the ground and they're not nothing, that is to say they're not quite as much nothing as UNIFIL 1 was. There is French armor on the ground in Southern Lebanon. Now, there are some problems with their mission in the way they're carrying it out, and there are problems on the Syrian-Lebanese border with respect to the resupply of Hezbollah with rockets to replace its depleted stores from the summer war, but in terms of keeping a lid on things it's essential that the UNIFIL mission be fully supported diplomatically and financially and so forth.

And secondly, the West, whatever that is, has to support the Seniora government. There is a parallel government system developing in Lebanon right now. It's not going to be good for Lebanese security, sovereignty, or cohesion. It's a bad thing and support for the Seniora government is going to be essential and probably, in this setting, some form of diplomatic contact with the Syrians is going to be important because in as much as the Iranian support Hezbollah, they would not be able to do so if it didn't – if that's support didn't align with how Syrians perceive their own interests. So that's another piece of the puzzle that we need to bear in mind. Thank you.

MR. PODESTA: I'm going to let Moises have the last word, but I want to thank our panelists for a very informed and informative discussion, and again thanks to the people who pulled this survey together. We're back to Iraq on Friday. We're going to have Senator Casey and Congresswoman Tauscher here to give their reflections on their recent trips to Iraq, but this – again, this has been a terrific collaboration, terrific panel, and I thank you all for coming.

Moises, a final word?

MR. NAIM: Yes, just echoing the same words, thank you all for coming. We hope to see you next year when we're going to have another iteration of this event. Thank you very much and thanks for the time.

(Applause.)

(END)