



SPECIAL PRESENTATION

**“PARTNERSHIP FOR PROGRESS: ADVANCING A NEW
STRATEGY FOR PROSPERITY AND STABILITY IN
PAKISTAN AND THE REGION”**

INTRODUCTORY REMARKS:

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FEATURED PANELISTS:

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MS. CAROLINE WADHAMS: Good morning, and welcome. Thank you so much for coming. I am Caroline Wadhams, national security policy analyst here at the Center for American Progress, and I want to welcome you to today's release of our new report on Pakistan entitled "The Partnership for Progress: Advancing a New Strategy for Prosperity and Stability in Pakistan and the Region."

We are honored to have three great panelists with us here today: Jonah Blank, Steve Coll and Robert Grenier. And Larry Korb, a Senior Fellow here at the Center, will introduce them shortly and moderate the panel.

I want to talk to you a little bit about the substance of the report and also thank a number of people who were crucial in helping us put this report together. This report is the product of a year-long study that we began back in September 2007 and I want to, first and foremost, acknowledge the other principal authors of this report, including Senior fellows, Brian Katulis, who is sitting in the front row, and Larry Korb, and our national security Special Assistant, Colin Cookman, who is also in the front row.

I want to give special thanks to Colin, who has been instrumental in getting this report done. He has a combination of skills that will guarantee his success in this field. He's an excellent writer and researcher, a hard worker and he has a passion for these issues, and we could not have done this without him. So thank you, Colin.

I also want to say thanks to Brian, who is the author of the recently released book, "Prosperity Agenda." If it's not already there, you should get a copy for your nightstand. Brian traveled to Pakistan three times this past year, interviewing individuals from all facets of Pakistani society, and he and I observed the parliamentary elections in February. Anyone who's worked with Brian knows just how good he is in this field. His keen intellect, writing and editing were invaluable to the report's recommendations and the thrust of the report.

And, of course, thanks go to Larry Korb, who really needs no introduction after so many contributions to U.S. national security thinking over the past many, many years. He supported the entire effort immensely and kept us moving forward. Thanks, Larry.

This report was informed by a working group of Pakistan and regional experts who have decades of collective experience grappling with all aspects of the U.S.-Pakistan relationship and they're listed in the front of our report. In addition to our three panelists who are all working group members, there are a number of people in the audience who I want to thank for being part of that group. We have Alex Thier, Rick Inderfurth, Jim Moody, Marvin Weinbaum, Touqir Hussain, Josh White and if I – there might be a few others out there that I haven't seen, but thank you very much for your generosity.

We believe that Pakistan will pose one of the most important, but difficult, foreign policy challenges for the Obama administration and that the U.S. government and its partners need a new roadmap. The current U.S. approach has failed to advance U.S. national security interests and the interests of Pakistanis.

For decades, and especially since September 11th, the United States has pursued short-term stability in Pakistan by utilizing a flawed strategy in which we have provided almost exclusive support to Pakistan's military establishment and its individual leaders. We've offered little support to the civilian institutions and programs that directly impact the lives of Pakistanis. And the U.S. has approached Pakistan in a vacuum, neglecting to create coherent regional strategies and failing to leverage the resources and influence of other key countries, such as China, Saudi Arabia, Turkey and many others.

This report lays out a new approach to U.S. policy toward Pakistan. We basically see three fundamental challenges in Pakistan. The first is clearly the militant challenge, which we've all heard a lot about. Numerous militant groups have escalated deadly attacks within Pakistan and Afghanistan, and our intelligence agencies tell us that they are using safe havens in Pakistan to facilitate and plan attacks around the world, including against us. And regional tensions exacerbate these militant groups and this insurgency. Pakistan's fears of encirclement by India translate into continued support by some elements within the Pakistani military establishment for these groups.

But this is where I think the report diverges because we looked beyond just the insurgent threat, which is so important. We believe that there are two other major sources of instability in Pakistan that we have to address, and the second one is the economic crisis. It's been in the news a lot, but it's clear that Pakistan is going through a serious, serious economic crisis, which is exacerbating its chronic under-development.

Inflation is at 25 percent; high global prices have hit Pakistanis especially hard; and foreign investors have fled. Their foreign exchange reserves are below \$7 billion, enough to pay for about two months of imports and the government is in danger of defaulting on its foreign debt.

We see in the news that the IMF just agreed to a \$7.6 billion loan package with the Pakistani government to avoid default. And in another channel, Pakistani leaders are today in Abu Dhabi asking for billions of dollars from the Friends of Pakistan Group, which is a group made up of numerous countries, including China, Saudi Arabia, the U.S., the UK and others, to try to get further assistance.

The third and final challenge that we talk about in this report is Pakistan's problems with very, very weak civilian governance, which feeds greater instability in Pakistan. Its government remains weak following years of military rule, under-investment in Pakistan's governmental institutions and dysfunctional political leadership, and there's a huge disconnect between the needs of the Pakistani people and the ability and will of their leaders to respond to them.

These challenges feed each other in a dangerous cycle and their impact extends beyond Pakistan's borders, having a wide-ranging impact on regional and global security, and our set of recommendations address these three interlinked challenges. And I'm not going to go into all of the details of the recommendations. I want to basically give you the six overarching recommendations for the report.

But these recommendations are based on two fundamental principles, which are basically that the U.S. must treat the U.S.-Pakistan relationship as a partnership with the Pakistani leadership and its people. It can't be something imposed. We have to work with the Pakistanis. And the second is that the U.S. has limited influence in Pakistan and it's a problem compounded by widespread anti-Americanism. We must pursue objectives in Pakistan with the assistance of other countries.

In order to address these challenges, we provide a number of detailed recommendations. And I'm not – I'm just going to talk about the six overarching ones. The first is that the U.S. must implement policies that recognize the regional dimension of Pakistan's security challenges. You cannot address Pakistan without thinking about India and Afghanistan. They are inextricably linked. Longstanding Pakistan-India tensions have affected the Pakistan military establishment's strategic calculus in how they're dealing with the militant groups. That strategic calculus has to be addressed in order to be able to tackle the insurgent problem.

The second major recommendation is that we have to – the United States has to approach Pakistan through an integrated international support effort. Everything we touch in Pakistan often discredits it and so therefore, we have to work with other key countries, such as China and Saudi Arabia, and through groups such as the Friends of Pakistan Group. That will be the way that we are able to advance U.S. goals more effectively in Pakistan.

The third overarching recommendation is that the relationship between Pakistan and the U.S. has to be broadened and deepened beyond just a narrow focus on military and intelligence cooperation. It's clear that Pakistan's problems will not be solved by military means alone and long-term stability will require strengthening these other aspects: Pakistan's economy, its governance and reducing regional tensions.

The military approaches must be integrated into a wider political strategy for the region, and the U.S. should support the Pakistani military establishment in ways that encourage civilian oversight and democratic political reforms. So therefore, we should expand U.S.-Pakistan partnerships on a broad set of issues, including economic development, energy, educational assistance, judicial support, and more.

The fourth recommendation – and there are six here, so we're almost finished with these. The fourth is that we need to support democratic transition in Pakistan without picking favored candidates or political parties, and this is a mistake we've made in the past that we have for too long focused exclusively on supporting individual leaders, such as President – former President Musharraf. With the upcoming local elections in

Pakistan in 2009, we can work towards expanding efforts to support civil society organizations, assisting political parties and encouraging electoral reform.

Fifth, we've got to do a better job at providing better oversight and transparency of U.S. funds to Pakistan. Our aid to Pakistan has clearly been characterized by a lack of accountability, transparency and it's been short-sighted. We have to demand more transparency over our funding and tie our assistance to specific agreed-upon objectives, such as good faith efforts by the Pakistani military to crack down on militant groups in Pakistan and not just on al Qaeda, and to stop cross-border attacks into Afghanistan.

Finally, a lot of this will be very, very difficult to implement in terms of supporting the economic – supporting Pakistan's economy and helping with their under-development and supporting governance, if we don't reform U.S. bureaucratic institutions and our inter-agency processes. We have done a poor job of employing civilian instruments of national security outside of the military, including in our State Department and USAID. Our agencies have to complement each other better in stabilizing Pakistan. Our civilian institutions clearly need more resources and our foreign aid system needs to be fundamentally overhauled.

So we have lots and lots of recommendations in our report, which I urge you to read, but these are the overall messages of this report. We think there's an opportunity for a shift in the relationship because of the new Obama administration, because of an interested U.S. Congress, because of the democratically-elected Pakistani government, the fact that they have a strong growing civil society and a strengthening media. All of these factors can help with the shift. We hope this report will provide a foundation to repair what we believe is a broken relationship and create a partnership for progress.

And with that, I'm going to turn it over to Larry. Thank you very much.

(Applause.)

MR. LAWRENCE KORB: Thank you very much, Caroline, and thanks so much for taking the lead on this report.

We have a great panel here to discuss particularly the recommendations we make in the report and the opportunities presented in terms of where the Congress is in the new administration. We have, first, Jonah Blank, who's the chief policy advisor for South Asia, Central Asia on the Majority staff of the Senate Foreign Relations Committee. Jonah is an anthropologist by training. He's also had experience in the media with U.S. News and World Report. Been an academic. He's taught at Harvard, Georgetown and Johns Hopkins and he's the author of two books dealing with this part of the world.

Next, we have Steve Coll, who currently is the president and CEO of the New America Foundation and a staff writer for the *New Yorker* magazine. Steve spent 20 years with the *Washington Post*, ending up as the managing editor. He, too is an author of six books, several of which have received Pulitzer Prizes and the Arthur Ross Book

Award from the Council on Foreign Relations. Particularly the two I've read are "Ghost Wars" and about bin Laden.

And last but not least, we have Bob Grenier, who spent 27 years in the clandestine service in the Central Intelligence Agency, focusing on South Asia and that part of the world, 15 years of which were overseas. He was a station chief in Islamabad and also the head of the CIA's Counterterrorism Center. Right now, he's the managing director and chairman for Global Security Consulting at Kroll, which he joined about two years ago following his retirement from the agency.

So let me begin – because what we're going to do here is I'm going to raise a couple of questions for our panel to comment on aspects of the report. We'll go back and forth for a little while, and then we'll open it up to questions from the audience.

Let me begin by asking this question for Steve Coll. The Center's report has discussed the importance of addressing security, governance and economic issues simultaneously, arguing that all of these factors feed instability in Pakistan. President-elect Obama has stated the U.S. needs to focus more on Afghanistan and Pakistan. Recognizing that Pakistan and Afghanistan are linked, what do you believe the next administration will need to address urgently in Pakistan? What should be its most important priorities and how should U.S. policy change to more effectively address those problems?

MR. STEVE COLL: Well, that's a small question. I think the report provides a pretty good overview of the answer but I guess I would start just by reiterating a couple of points that both you and Caroline made in setting the context. This is – even by the lights of Pakistan, a period of considerable instability and it's also a situation where the U.S. arrives with relatively limited levers for immediate effect.

I do think that – I want to make one point that perhaps would complement what you and Caroline outlined, which is the central importance of communication by the next administration. I think it's as important for the next administration to communicate successfully to the people of Pakistan, as well as to varied institutions there, as it is to adjust policy. And I think in this case, communication and policy are essentially indistinguishable.

I don't want to be alarmist about it, but I think there are sort of pre-revolutionary characteristics in the situation in Pakistan today – certainly in Western Pakistan, maybe – certainly – or past pre-revolutionary in the FATA and in the Northwest Frontier province, things are really quite serious. And in a situation like that – and you have confronting this insurgency on the government side, a divided government, in many cases, weak institutions – I don't include the army in that – but nonetheless, a weak overall macroeconomic situation that affects the army as well.

And so in that context with the Taliban, or the Taliban movement more broadly, the population really is the center of gravity, as they say in counter-insurgency theory.

And the way to think about what the U.S. can contribute to strengthening the population's resolve in the face of these challenges, which are being mounted in the name of Islam, the organizing principle of the state itself, in order to compete with that challenge, the United States has to help all of the government's constituents make their own case and to strengthen the population against this movement.

And I do think that rewriting policy and thinking about how to direct American resources broadly is important, but communicating in a convincing way, in a multilateral context, and persistently and visibly is going to be critical. And I think that the next ambassador, or if the current ambassador, who I think has generally done a good job, continues, it's going to have to be someone who takes the lead in the field.

But you're going to have to start with the next president speaking about these issues right out of the box from the presidential level, and speaking not just to American constituents about the hunt for bin Laden, but to Pakistanis again and again about how important this partnership is, about how broadly-based it is going to be, and how committed the United States is to its success. I think that's absolutely critical.

I would just make one other point, which is part of the same argument, which is, I think a consequence of the emphasis on the security partnership that Caroline mentioned, is that the covert aspects of U.S. relations with Pakistan, or the sensitive security-based aspects of that relationship, have predominated, have overtaken the more normal overt diplomatic context in which an alliance of this importance is normally set in.

And there is an urgent security situation in the partnership between the United States, and the Pakistan army and security services is critical, but that partnership can only succeed if it is taking place in a confident, successful overt alliance. So covert action only succeeds generally when it is an extension of a successful overt policy.

And I think if you took that framework and measured the situation in Pakistan against it now, you would be hard-pressed to argue that that's what's going on. In fact, covert action is creating confusion: secret meetings on aircraft carriers, Predator strikes that nobody is prepared to own up to. There's a pattern of avoidance and even confusion that arises from the way the partnership is emphasized now and so I'm not suggesting that the security partnership isn't critical, but I think it needs to be reordered and repositioned and become an extension of something that has a different character.

MR. KORB: Thanks. If I could ask Bob to address that larger question and also focus on the relationship between the United States and the Pakistan military, particularly ISI and maybe comment on what the *Washington Post* told us yesterday on the front page, that they're getting along with a wink and a nod here in terms of our Predator strikes.

MR. ROBERT L. GRENIER: Well, with regard to the larger issue, I think that we – I very much subscribe to the view that we need to approach this problem in a regional context and perhaps we can drill into this in a great deal more detail in the

following discussion, but I think that very much has to include a settlement of Kashmir. I realize that that – with all of the near-term and immediate issues that we have, particularly focusing on the tribal areas, that that may sound to some ears a little bit like waking up the day after 9/11 and saying, well, we need to go and deal with Iraq, but –

MR. KORB: Some did. (Laughter.)

MR. GRENIER: You don't say. But I've watched in the U.S. government for 27 years, as no one has really wanted to grapple with Kashmir and, yet, I do believe that if we're going to bring about the fundamental realignment of the Pakistani military that will be required, I think, to address the issues that have just been articulated, and if we are to bring about an important change in Pakistani attitudes and policy toward Afghanistan, a necessary, although insufficient, condition of that will be to address Kashmir in a comprehensive way. And again, I've got lots of other ideas about how to go about doing that.

With regard to our partnership with the Pakistani military, and particularly with the ISI, that brings up another issue which I think we need to focus on, and that is that while we do need to have a cooperative approach, it involves many of our friends and allies in aiding the Pakistanis, that as we work out with them a rough division of labor, the U.S., I believe, ought to be taking the lead in addressing the issues in the Federally Administered Tribal Areas, and given the difficulty in doing so, I suspect that we will not have a great deal of difficulty in convincing them to allow us to take the lead there.

But as we all know, there's a real tension between our – if you will – short-term tactical aims in trying to capture or kill terrorists and cross-border militants in the Federally-Administered Tribal Areas, and that there is a fundamental tension between that and our longer term counterinsurgency pacification goals. I think we very much need to be focusing on the end state. What is it that we need this area to look like? What would a pacified FATA look like? And that needs to be the organizing principle, I think, for all of our activities.

There are times when we will be forced to take two steps back in order to take one step forward. I certainly don't think that we should abjure cross-border strikes, but I do believe that we have to remain focused on what does the end state need to be? And in that context we need, I believe, to have a common agenda with the Pakistani government and very much to include the military on counterinsurgency in that area. And there needs to be therefore, a focus on combining military strengths, military efforts, with economic development and political development in those areas.

And to that end, I believe that again, we need to have a common agenda – not to suggest that there will not be continued tensions and differences of opinion and perspective between ourselves and our Pakistani friends, but we need to get a whole lot closer certainly than we are right now in forging a common agenda with them. And to that end, I think we need to be focused in the very near-term, immediately, on aid to what the Pakistanis themselves are doing in Bajaur. They are involved in the very active

hostilities there. They've got huge humanitarian issues, perhaps 300,000 displaced persons there.

We need to help them to succeed militarily, but even more importantly, we need to be there for them with the resources necessary to follow in, not only with humanitarian assistance, but with economic development, so that this can become a model for the counterinsurgency policy that must be pursued far more broadly elsewhere and in the FATA.

And in that context, with regard to the ISI – oh, dear – I would not say that the ISI is not a problematic organization. Yes, it does have its own agendas. Yes, there are individuals within the ISI who are, shall we say, a little bit difficult to keep on the reservation. That said, I think we need to see this in perspective. I think that it is often convenient for all sides, very much to include the Pakistanis, to sort of blame things on the ISI.

In point of fact, however, fundamentally speaking, if we have a problem with the ISI it's because we have fundamental policy problems with Pakistan. If we don't like the relationships that the ISI is maintaining, if we don't like the ambiguity with which they are operating in Afghanistan, the reason for that, I do believe, is because of a fundamental ambiguity, at the very least, in Pakistani policy with regard to Afghanistan. All that said, I think that we do need to encourage a reform of the ISI.

I'll just mention a couple of things very, very quickly. I do believe that the ISI – at least for the interim as we take an evolutionary approach to this, does need to remain fundamentally a military organization, which relies on officers seconded from the Pakistani military. The concern that I have, if we were to encourage – and I'm not suggesting that they would be able to or be willing to even if we were to encourage them – to turn the ISI into a civilian organization – is that the model for that would be the IB, the Intelligence Bureau. And that has always been a political tool of Pakistani prime ministers.

I don't think that that's the direction in which we want to go. That said, I do believe that it would be far healthier for the ISI if they were reporting to a civilian leadership. Since we don't have a mature national security infrastructure within Pakistan, I presume that would have to be, in the short-term, the minister of interior. One other thing – I'm sorry, the minister of defense and perhaps in combination with the minister of interior.

And then finally, one thing that I would mention in that regard is that having spent so many years in rapturous contact with congressional oversight in the United States, that is a pleasure which I would very much like to convey on my old Pakistani friends, but seriously, I do believe that the experience of having to go before the Pakistani national assembly and explaining themselves, explaining how what they are doing is carrying out a government policy, would be a very good thing indeed.

MR. KORB: Bob, according to press reports, they say that this new government is moving in that direction. I mean, are we being too optimistic, or is there going to be a way for this government to get there?

MR. GRENIER: Well, again, I think that any progress is going to have to be incremental. It's going to have to be evolutionary. It's right at the beginning of the current administration in Pakistan that there was an announcement which came out which said that the ISI was no longer going to be under military control and then suddenly, that all seems to have changed. So I don't recall there having been an announcement to that effect. So –

MR. COLL: It only lasted about eight hours. Somebody told the ISI, it would have been announced and they said, no, that won't be happening. (Laughter.)

MR. GRENIER: And so again, I do believe that there is going to have to be a constituency built up for that within Pakistani civil society and within the Pakistan military itself, I think there's going to need to be a path going forward. But I do believe that there is progress which can be made, and again, I think that an important first milestone on that would be to create a situation where the ISI, for all that it is a military organization, would need to report in the initial instance to civilian leadership.

MR. KORB: Jonah, if you could talk about this larger question that we raised in the report and also if you could shed some light on whether you think the Biden-Lugar bill is going to have much of an impact.

MR. JONAH BLANK: Well, thanks, Larry and thanks also to Caroline and Brian and everybody at CAP. It really was tremendously helpful for me in helping put together this landmark piece of legislation about Pakistan, to have the brain trust in the discussions that we had during the creation of this report. So thanks again for that.

I should start out by saying that I am – nothing I say is the – is attributable or the voice of the president-elect, or the vice president-elect, or anyone other than myself. It means I also, because of the several hats that I wear – and I hope you'll forgive me if I try to be as boring as I possibly can. (Laughter.) So I'll speak a little more about what we have done in the past, rather than what people may do in the future.

And one of the things we have done in the past is pass S. 3263, the Pakistan Bill, the Biden-Lugar bill or the Biden-Lugar-Obama bill since the first co-sponsor was Sen. Obama. And Sen. Obama laid out his vision for Pakistan as Biden and Lugar were introducing this bill in the Senate, almost exactly to the minute at the same time. So I think that this piece of legislation has very strong support from not only the various members of the Foreign Relations Committee, it passed unanimously through the Foreign Relations Committee on a bipartisan basis. But it really is a blueprint for, I think, how to implement some of the ideas in the report.

Just going down some of the list of a partnership with Pakistan-- U.S. limited leverage, emphasizing regional dimension to instability, not just a matter of militancy, broadening and deepening beyond the military and intelligence field – straight down the list, these are the kind of things that we have tried to put into legislative form. So let me just run down quickly what the bill says and what perhaps it might be – how it might be implemented.

First is extending non-military aid, tripling non-military aid to \$1.5 billion a year. We authorized that amount for five years and have hortatory language for another five after that. We would authorize for ten if that's the way – well, we might have decided to authorize for ten if that's the way congressional authorizations worked.

This is a big change in U.S. policy, not merely because of the dollar figures, the actual amount of money that goes to roads and schools and clinics, but for what that dollar figure says. This gets directly to the Center's recommendation that we broaden and deepen our relationship, because right now, the lion's share of money goes for military purposes. We can talk all we want about how we want to broaden and deepen, but in Washington, nothing really speaks as loud as money and nothing really says money like the big B. Now, I suppose, that could be the big T, but we don't really have trillions to toss around. We may not even have billions, but that's another question.

Part of the problem in U.S. relations with Pakistan has been that it's been tactical rather than strategic, as Steve pointed out. We've got to get over this justifiable suspicion on the part of many Pakistanis that we're only tactically driven; we're only looking for a short-term fix, and as soon as we get al Qaeda wrapped up, then we'll leave the same way we did after the Afghan jihad. Part of the rationale for this piece of legislation was to try to lock in a long-term commitment, at least as a matter of stated U.S. policy, with dollars to back it up.

This money also would be a way of strengthening democracy in Pakistan without – as the report quite rightly points out – without picking and choosing, without saying we're supporting this leader, supporting the institution of democracy. As a democracy dividend, in fact, we already had part of this money already appropriated as a democracy dividend. One could look at the entire package as a continuation of that idea.

Why would this matter? Because it's very important for civilians to be able to go to the Pakistani people and say it's not just the generals who can deliver. We're the ones who can deliver the goods, not because of a special relationship with this president, or that president, or this Congress or that Congress, but because of the institution. The institution of democracy is able to deliver as well as or better than the military.

The second point in the legislation is conditioning military aid on results, or at least upon genuine efforts. The legislation mandates that the Secretary of State certify to Congress that the Pakistani military and intelligence services are full partners – I'm paraphrasing a little bit – but essentially are full partners and make a genuine effort in the

struggle against al Qaeda, in the struggle against the Taliban, and are not interfering in the democratic process or the judicial process.

This does not mean that military aid would be cut. Military aid could be raised, could be lowered, could remain the same. But in order for it to occur, then at least the Secretary of State would have to make the certification and would have to do so – and Bob can say whether this – how important this is or is not – would have to do so after consulting with the DNI. So we've written that into the law, specifically so that this certification would have to be based on actual intelligence, rather than sort of just on gut feelings.

The third point goes to accountability. We've put in sense of Congress language about greater transparency and accountability, particularly of coalition support funds, which right now are somewhat opaque.

The fourth point is difficult, perhaps impossible, to legislate, but we've included it as again, as hortatory language because I think it is fundamentally important. This gets to what the report highlights right at the top -- that we need to have a partnership, not something that is imposed upon Pakistan. We have to address issues of interest to the Pakistanis. We can't have the relationship merely dictated by security concerns, intelligence concerns and issues that are of interest to the U.S. primarily.

So these are things that we already have written into the piece of legislation that passed the Foreign Relations Committee. I think that there's every reason to expect that the new Congress, this same bill, perhaps changed slightly to account for changing circumstances or perhaps exactly as is, would be reintroduced. One of the lead co-sponsors, Sen. Lugar, will presumably be there and Senators Obama and Biden will presumably – not will – Sen. Obama has already given up his Senate seat. Sen. Biden will presumably be doing so before the new Congress is sworn in.

But we have many other Foreign Relations Committee members. Sen. Kerry has been very active in this effort and he would be the next in seniority, if as expected, Sen. Dodd takes banking committee instead of foreign relations. So I'm quite optimistic that this piece of legislation would be reintroduced and would have the support of people on both sides of the aisle and both ends of the mall.

MR. KORB: Thank you very much. Let me ask each of you very briefly if you could tell me what you think the future of this government – we've talked about U.S. policy. Is this government going to make it? What's the long-term prospects for them?

MR. COLL: Well, I think this particular alignment in the national parliament is not likely to last for an indefinite time. I think Nawaz Sharif and his party are deftly playing the crisis as a political opportunity and that that will translate. This situation is so dynamic, it's hard to foresee the circumstances that would surround the next election, but if you were to just extrapolate the present just as a linear thought exercise, you would recognize that Sharif's coalition playing this sort of this center-right opposition is in a

pretty good spot, especially as the economy deteriorates. And there's really nothing anybody can do to address the worldwide recession's impact on the Pakistani street.

So I think what you could hope for would be a successful series of elections that consolidated peaceful transfers of power, coalition-building, perhaps creating conditions for the eventual formation of a national government, an all-party government of some sort, that consolidated this decision that the current army chief of staff has made to step back to the barracks and to permit a partnership with civilian, political parties as a mechanism for sustainable constitutional arrangements.

So I think it goes to the point that Caroline made at the beginning, which is that we shouldn't be worried terribly about personalities and parties and coalitions. We should be worried about the system and the population.

MR. KORB: Okay. Bob, are you as optimistic?

MR. GRENIER: I would say, in a word, yes. I do think that the Pakistani political system is going to continue to muddle through. I don't think that the current government in its current alignment is probably going to last all that long. That said, I do think that we do need to be engaged with it very closely and insistently to help them put together a national program which they can articulate and which we can support.

But for the longer term, I do agree that it's probably a more center-right coalition dominated by the Muslim League that is more likely to bring Pakistan forward and, in my view, would be better positioned within the Pakistani domestic political context to actually address the fundamental conflict with religiously-based extremism.

MR. KORB: Jonah?

MR. BLANK: Well, I have a difficult enough time predicting political developments in this town – (laughter) – so I won't attempt that for Islamabad. I'll just point out though as a cause for optimism, one year ago, if we were sitting here, we would have been talking about President Musharraf – General Musharraf, even at that time – having just staged a coup d'état against his own government, imposed a state of emergency, a de facto state of emergency, essentially martial law, thousands of people locked up with no due process, every shred of democracy threatened at a minimum, a widespread perception in Pakistan that it's always done with backing of the United States government, and very little way out of this impasse discernible to the naked eye.

Whatever the course of democracy may be in Pakistan, I think we've come – we've got a good cause for optimism just seeing where we were today versus where we were a year ago.

MR. KORB: Thank you. All right. Now I'll turn it over to the audience and I'd ask two things: one, wait for the microphone and when you get recognized, if you could

tell us who you are and as is our custom, we'll give first to the media. Anybody from the media have a question? Okay, yes, sir.

Q: David Lynch with *USA Today*. How much of the economic, financial problem does the apparent IMF financing agreement solve or at least address? And could you all talk a little bit about the potential consequences over the next year if the domestic economy there continues to deteriorate?

MR. KORB: Caroline, why don't you start on that?

MS. WADHAMS: My understanding is that the \$7.6 billion that they have agreed to provide, as long as the Pakistani government follows through on the measures that it has promised to deliver – I mean, this money is still not guaranteed – but that that will help them avoid the immediate default of their foreign debt.

But they've said that they need about – I think, it's anywhere from \$10 to \$15 billion over the next couple of years just to be able to continue functioning and to continue importing. And they're going to need to find assistance from other people or other countries and that's why they're talking with the Friends of Pakistan Group. I mean, this IMF money is not going to be sufficient to help them.

So other countries are going to have to step in, and we've seen China – they've just agreed to provide another \$500 million in addition to \$500 million that they agreed to provide before. We'll see when that money comes through, but they're also asking other – they want assistance from the U.S. They want assistance from Saudi Arabia, especially in deferring some of the payments on oil.

But if they don't get the money they need, I think there is – I think it could create a huge problem and potentially deeply threaten the stability of the Pakistani civilian government. I mean, if they can't – if they're seen as being inept or incompetent and not able to function to import the food, what they need for – the fuel for their population, my sense is that the Pakistani military could step in again and overthrow them. I don't know if anyone has a follow-up on that.

MR. KORB: Anybody else want to add anything to that?

Let me make a point. I think you raised a key issue, but as we try to point out in the report, it's not just us. We can't do it by ourselves, and all of the countries in that region have an interest in Pakistan remaining with a legitimate civilian government, so that, I think, the United States can take the lead in making sure that happens, but all of the other countries do not want to see it implode either.

Yes, sir? Okay. Right here.

Q: Hey, good morning. I'm Bob Dreyfuss with the *Nation* magazine. Your report is kind of skeptical about Pakistan's history of negotiations with the militant

groups up in FATA and elsewhere. Today, we saw Karzai saying that he wants to make an overt offer to Mullah Omar and the Taliban. Nawaz Sharif has been working with Saudi Arabia and various former Taliban elements to see if – explore if there's an idea of negotiating.

And I wonder what you think about the likelihood, the possibility, of this sort of process, not only in Afghanistan, but also in Pakistan, getting these militant groups to basically break with al Qaeda and then perhaps, as distasteful as it might be, bringing them into some sort of power-sharing arrangements.

And by the way, the follow-up on that is a lot of the countries around those countries – India, Russia – Iran, in particular – would not particularly like the Taliban to come skulking back into any kind of position of power. But is there a role for us in working with those three countries as well in terms of finding some sort of deal that could incorporate both the Taliban and their friends in those countries?

MR. KORB: Steve, you want to try that?

MR. COLL: Well, I think it's generally a rule that it's not a good idea to negotiate from weakness and unfortunately, both the Pakistan and Afghan governments are in a position now where that's what they're doing. I think part of the argument for a regional diplomatic approach, a contact group, a strengthened international context for supporting both the Pakistan and Afghan government across the full range of economic, political and military assistance is to strengthen them for a potential reconciliation. It's an enormously complicated subject.

I'd just make two points. One is that I don't think there's any easily available grand bargain with the Taliban because there isn't any grand Taliban. There are – there is a central leadership, sure, that is – if it's reconcilable today, it's not reconcilable on terms that would be acceptable to the international community or to the great majority of Pakistanis and Afghans.

On the other hand, the Taliban is a big umbrella in which there are many subgroups that, in the context of negotiating from strength and localized conditions, could be broken off from military activity or brought into the government on both sides of the border in various circumstances.

You know, to some extent this is what the Pakistan army has always had in mind, and to the extent that it has been passively or actively supportive of the Taliban, it has not been, in my estimate, because they fantasized about Taliban rule in Kabul, or never mind in Pakistan, but because they wanted an instrument of pressure through which they could advance their own interests in political negotiations.

So for those on the other side of that campaign, you've got to be a little bit wary of what interests are really being served here. I think it's again, a situation where, first,

you have to strengthen the two states, and then you have to see negotiations as a case-by-case, more localized than a grand bargain.

The last example I'd mention is Hezb-e Islami, sort of essentially a two-state party born during the '80s jihad led by Gulbuddin Hekmatyar in name to some respect. There is another case where Karzai is way out ahead of where NATO would want to be, I think, in negotiating with Gulbuddin, but you could say "never." What you can say "never" to is the circumstances – at least in my view – in which these negotiations are being conducted now in which there is not a coherent party on either side of the two-state tables.

MR. KORB: Anybody want to add anything to that? Okay, Michael?

Q: Hi, Michael Ware, CNN. What with reports of the connections of the ISI to the Indian Embassy bombing, with reports of characters like Col. Imam popping up back in Afghanistan, and myself having sat in Afghan-Taliban *madrassas* back in 2002 in Kuwait under ISI coverage, what precisely would – how would you describe the precise nature of whatever active relationships the ISI might have with the Islamic militants? And as a follow-up, what do you make of the appointment of the new director of the ISI, Gen. Pasha?

MR. KORB: Bob, do you want to take a stab at that?

MR. GRENIER: Yes, let me just start with the latter part first. I think that the appointment of Gen. Pasha has been misapprehended by a lot of folks. First of all, the change in the ISI came about as part of the regular rotation in the senior military assignments in Pakistan. It all came on schedule.

That said, I do think that the naming of Gen. Pasha specifically – his orientation and particularly, in contrast with that of his predecessor, was one of the factors, I suspect, that was strongly considered by Gen. Kiyani when he made that appointment, but it wasn't as though he cashiered one in order to bring in the other and as a means of making a whole new departure in policy.

With regard to the longstanding connections that the Pakistani services had with any number of different militants on both sides of the border for a whole range of different purposes, I think it is the job of intelligence services to maintain connections with a great many players with whom it would be awkward, at least for regular government officials, or senior members of – in this case, in Pakistan, the military – to maintain such contacts.

The question is not so much the matter of maintaining the contacts; it's the purposes to which those contacts are being put. And I think in a context where you have someone like Col. Imam, once again, perhaps active in Afghanistan, that is not a good sign, because it would be difficult to imagine Col. Imam actively pursuing a government

policy of which we would approve. So again, I would look to the day when rumors concerning Col. Imam cease.

But that said, I think there's a link to what the points that were being made previously with regard to the need for negotiation, or the need for the appearance of being open to negotiation. I think that the ISI can play a role in that and I think that it is important for them to maintain channels of communication, we hope, for constructive purposes on behalf of the Pakistan government.

MR. KORB: Anybody else want to comment on that? Okay, Dan?

Q: Hi, I'm Dan (Sagelen?) from – (inaudible). You have spoken about the need to solve the Kashmir issue and I'm wondering what the Obama administration might be able to do on that front. I mean, the Indians have basically rejected any kind of U.S. efforts in this – the Indians have rejected the U.S. playing a role in this effort.

MR. KORB: Bob, I think you were the one who brought that up, weren't you?

MR. GRENIER: Yes, and I'm going to regret that. (Laughter.) Yes, I think that a U.S. role could take a number of different forms and those would include low-profile forms that would perhaps be somewhat less objectionable to the Indian government in the context of the longstanding public policy position that they have taken.

That said, the way I see the Kashmir dispute is that it's impossible for me to conceive of a realizable solution which would not objectively favor India. In essence – again, this is the shorthand – I certainly don't mean it in the way that I'm saying it literally, but the objective here is to get the Pakistanis to accept the fact that Kashmir is gone and help them to construct a political rationale that will enable them to get over it.

That cannot happen without the active support of the Indians and that would involve changes in policy within Kashmir, as well as changes, I believe, in Indian policy in Afghanistan. But my view is that for India to achieve the broader global role to include an expanded role in international organizations to which it aspires and if – and for the United States to provide them with support to those ends, I think that needs to be conditional with what I would describe as constructive engagement on Kashmir and in Afghanistan.

MR. KORB: Jonah, you're an expert on India.

MR. BLANK: Well, I think that – a couple of points to be made. One is I think Kashmir is one of those issues where the Center's report on Pakistan actually has a lot to offer more broadly on the idea that we really have got to understand our limitations. If we think we have little leverage over Pakistan's policy, we have even less leverage over India's policy.

MR. KORB: Even with the new nuclear deal?

MR. BLANK: Even with the new nuclear deal. Neither India nor Pakistan is going to give up its sovereign interests on issues that it feels are existential. I think that the longstanding U.S. policy on Kashmir has been mediate – or facilitate, but not mediate, and there's been a little bit of confusion in public about whether that would carry through to a new administration.

I feel very confident that any – that the past formulation is the right one. We should facilitate if we are called upon. If the Pakistanis, the Indians and the Kashmiris are interested in our facilitation, then we should be prepared to help facilitate. However, we shouldn't delude ourselves into thinking that this is an issue that we can mediate or impose a solution or come in, in a very public and high-profile way without causing a lot more problems perhaps than we may help solve.

MR. KORB: Any other media? Okay. All right, Bob Hathaway, you were one of our group members, so – right here.

Q: Thanks, Larry. Bob Hathaway, Wilson Center. Brief reference was made to current Pakistani military operations in Bajaur. Clearly, they're expending a lot of resources there. They've taken a lot of casualties. On the other hand, they're using tactics which don't really seem well suited to an insurgency – a lot of firepower, including aerial bombing, a generation of immense numbers of refugees in a way that seems almost counter-productive if you're serious about dealing with this sort of adversary.

So I wonder if you can – any of the panelists can talk a bit more about the nature of these operations, what they say about Pakistan thinking about the nature of the threat, even whether this is so counter-productive that it may work against our interests.

MR. KORB: Steve, you want to try that?

MR. COLL: Well, it's, I think, commonly observed, and for good reason, that the Pakistan military is not trained, equipped or led to be effective in counter-insurgency operations and their historical record, when they have been required to carry out such operations in Baluchistan and elsewhere, is not every encouraging.

You have a – it is a stated goal of U.S. policy now to try to improve the equipment and doctrinal and training approaches that would aid both the former Pakistan army, which is taking the lead in Bajaur now, as well as the Frontier Corps. There seems still to be a divided view within U.S. circles about which institution to emphasize.

The problem with the army is that its officers are made up primarily by non-Pashtu speakers and they are seen by the local populations in places like Bajaur as outsiders, as foreigners, as occupiers even, and that makes it difficult for them to follow up military operations with the humanitarian and political initiatives that are typical of successful counter-insurgency. On the other hand, the Frontier Corps, which is drawn

from local populations, is a relatively weak institution militarily. Though it's officered by very competent officers from the main line Pakistan army, its esprit de corps and its ability to fight in a context of brother against brother, or at least cousin against cousin, has been a source of its own weakness over the years.

And it might be a more natural institution for the build phase of clear, hold, build operations, but right now, there isn't really an integrated approach. As you see it Bajaur, there's an emphasis, encouraged by the U.S. side to some extent, on actually getting after the adversary and that has produced the kinds of – and also one thing that's telling, if you read Jane Perlez's terrific piece in the *Times* this week is that we all – and I'm certainly guilty of this – we tend to inflate ISI as this kind of beast with many tentacles all over the place.

And, of course, one of the things about them is that there are many areas of the frontier where their own intelligence operations are quite weak. Their contacts are weak. They don't really know what's going on. I think we found after 9/11 – we thought that they were going to be able to tell us where everybody was, and it wasn't just that they were unwilling to do so; they also just didn't know. And so in Bajaur, they found out that the enemy was buried in all these tunnels and had all of these incredible battlements that nobody knew were there, and so they've had to fight much harder and destroy much more physical sort of urban dwellings than they thought they would.

So it's – I think you're right to diagnose the problem, but coming up with a comprehensive strategy of institution-building and training and equipping and doctrine development is not something to be done in six months.

MR. KORB: Bob, how long will it take?

MR. GRENIER: Oh, I think it's going to take a long time, but I do believe that – to paraphrase a certain former secretary of defense – we've got to go to war with the Pakistan army that we've got and hope that we can evolve in a positive direction over time.

One thing that I would add to that though – and it's hard for me judging, certainly from this distance, on the basis of information that's available to me, at least – how much traction this method has gained, but the Pakistanis have apparently had some success in their recruiting and beginning to equip tribal *lashkars* in Bajaur.

There are some elements of the population that don't like having the militants live among them. They may very well not particularly like the orientation of these people, and particularly when they impose their wills with regard to education and a whole host of other things, and they certainly don't like what comes of their presence once the Pakistani military arrives.

And so there seems to be some desire on the part of some elements, traditional elements, within the population there in Bajaur to take local security into their own

hands, which is an element of classic counter-insurgency and that is something that I think that we should certainly encourage. We should try to direct, to the extent that we can, and hopefully it will become a model for other areas as well.

MR. KORB: Anybody else? Okay. Harlan, you have a question? Okay.

Q: Thank you. I'm Harlan Ullman. As you know, three other studies have already come out on Pakistan. The Atlantic Council is coming up with the fourth and Gen. Petraeus is producing his own, which will also focus on Pakistan. So far, the studies have been rather broad in their policy prescriptions. So I'd like to ask three sets of really more specific questions.

First, regarding the economy, in order to get the IMF loan, the Pakistanis had had to introduce really draconian measures to reduce their budget deficit from a little over 7 to 4 percent, which meant they've cut virtually all their subsidies for food and electricity and energy. As a result, there are food riots in Karachi. There's less electricity in Karachi than in Baghdad. What, if anything, do you think can be done on the very short-term basis to ameliorate this situation because it could become really quite desperate?

Second, regarding the Pakistan army, one of the great complaints in the Pakistani army will argue that its training for counter-insurgency is better than we think it is, is the absence of equipment such as night-vision goggles, proper munitions, command and control and all the other stuff, which we have been very, very reluctant to give them despite the promises of Adm. Mullen. What do you think can be done in the short term to provide the sort of stuff they need, which is not F-16s, not tanks, not artillery, but what you need in counter-insurgency?

And finally, nobody mentioned really NATO and the European Union. As NATO looks to Afghanistan, obviously, it cannot ignore Pakistan. So what suggestions or recommendations for the short term might NATO and the European Union bring to bear?

MR. KORB: Okay. Caroline, why don't you start with NATO, because we talk about in the report all the other countries that need to be involved?

MS. WADHAMS: We also believe that NATO's got to be part of it. I think there's no question that we – when we're thinking about – this is going to be kind of a broad answer and I don't know if it's going to answer your question, but related to NATO and the EU. I mean, the EU is part of the Friends of Pakistan Group. They're definitely involved. They're providing assistance.

There have been a number of discussions between NATO leaders and Pakistan leaders and U.S. I think that needs to continue. There's just got to be increased coordination in terms of the military operations; and in terms of with the EU, the development factors, economic assistance. I'm not sure, beyond that, what kind of detail you're looking for in terms of NATO and the European Union, but that's – I would

basically just say increased coordination. I mean, they've got to be players. They've got to be part of it.

In terms of the IMF measures – I mean, I think that would be a great – that's a place – because the Pakistani government is going to be put in such a tough situation with cutting all these subsidies – right, exactly – already is, that's a perfect place where the international community can assist – can step in. And I think that there is already been discussion about having a donors conference to try figure out how the international community can step in. The Friends of Pakistan Group is another channel for doing that. And I think the U.S. can't – as Larry was talking about – the U.S. can't do it alone. I mean, we're already in our own financial difficulties in terms of our own economic crisis.

But I think that there are ways that we could step in with more food aid. Could we provide more assistance for electricity? It seems there are a number of sort of concrete measures that we could provide with the international community for filling some of these gaps as the Pakistanis make these very, very difficult steps. So I would just leave it at that.

MR. KORB: Let me ask Jonah, if I can, is there any congressional prohibition about sending any equipment there?

MR. BLANK: Not that I'm aware of. There have been a lot of discussions about exactly what types of aid can be sent, and I'm not aware that there is congressional pushback on things like night-vision goggles and other specifically counter-terrorism gear. In fact, there is a great appetite within Congress to gear more of our funding to specifically counter-insurgency and counter-terrorism equipment.

We face this in FMF, Foreign Military Financing, about whether we should be gearing this money towards counter-terrorism supplies or towards high-ticket weapons systems like F-16s and P-3 Orions. So I'm not aware of any kind of pushback in Congress – quite the opposite.

On the larger issue as well of coalition support funds is an area where we give approximately \$1 billion a year – or have been – with very little transparency. This pot of money, I think, could be used much more effectively than it has been thus far. I say that with the asterisks that nobody really knows exactly what this money has been used for thus far, but I think that even within military circles, within diplomatic circles, there is a widespread feeling that we could do a much better job of gearing the coalition support funds genuinely towards counter-terrorism and counter-insurgency purposes.

MR. KORB: And I think as we point out in the report, the \$11 billion that we gave since 2001, there has not been the transparency to know where it's gone. Bob or Steve, you want to comment on this at all?

MR. COLL: Just a couple of comments. On the equipment side, I think, lift and vision goggles have been two – helicopter lift and vision goggles have been two

persistent complaints from the Pakistan side. I think there's a shortage of U.S. lift capability in Afghanistan as well, and so that may be as much as a supply-side problem as a policy problem.

There is – there have been persistent concerns – I think understandable on the U.S. side – that certain kinds of technology – and perhaps night-vision equipment falls in this basket – might pass through to the adversary and change the equation in a way that would be something the U.S. would want to try to prevent.

On the economic side, I do think that Biden-Lugar is the right framework. It was constructed in a different global economic environment, and if that legislation comes forward and is passed, I think making food security a priority, and thinking about what the demands of the IMF conditionality ought to be, and how those demands could be supported by supplemental direct aid from the United States, the EU and Asia should be part of the active leadership that the next administration brings to bear.

A year ago, we thought the big macroeconomic problem in Pakistan was going to be inflation. Now we're in a deflationary environment in which the IMF's prescriptions for Pakistan threaten to also be counter-cyclical. They start laying people off in the government, or cutting access to food in the big cities. So there's got to be active, purposeful leadership that connects what has now fortunately developed as a framework for long-term policy with a short-term crisis. And I think it's going to have to involve not just the IMF, and not just the EU and NATO, but also China and Japan and the Asian nations as well.

MR. KORB: Bob, you want to comment at all?

MR. GRENIER: Two things, one with regard to the equipment issue. I think one of the persistent difficulties that we have here is that the U.S. government has provided a fair amount of assistance to Pakistan in helping to train and equip forces that are prepared to deal with counter-insurgency – well, not counter-insurgency, but counter-terrorism operations – the small, focused operations of the sort that U.S. Special Forces normally conduct. And the Pakistanis, for a range of reasons, have been very reluctant to employ those forces and so I think, in that context, it increases what would perhaps be a normal reluctance on the part of the U.S. military to share some of those capabilities. So that's one issue.

With regard to the economic issue, I note that so much of our conversation this morning is oriented toward aid. One of the things that persistently comes up when I talk with my Pakistani friends, and we talk about economic issues, is the need for trade, not aid and the persistent problem that we've had with U.S. textile quotas. And perhaps our colleague from the Congress could address that. (Laughter.)

MR. KORB: You want to handle that too?

MR. BLANK: Yes. Well, I would say this issue falls under the topic of the – of issues the Pakistanis are interested in that we have not really addressed and I feel that we have to address them. Whether we will address them in the way that Pakistan wants is an open question, but I think we can't simply write all of these concerns off before even talking about it.

To give you one example, on textiles, we in Congress – or some of us in Congress – actually tried to get this textile relief back in the immediate aftermath of 2001 and at that time, Sen. Helms was the chairman of Foreign Relations Committee and he made sure that did not go anywhere – so easier said than done.

MR. KORB: Okay. Speaking of Congress, we've got – former Congressman Moody has a question.

Q: Thank you. Jim Moody. First of all, it's a wonderful report, Caroline and Larry. You've done a terrific job on an issue which could not be more urgent internationally and Jonah, your leadership too has been fantastic.

I've a two-part question. One is on the morale of the Pakistani army. I've talked to people who've been up there and studied this, and they said the generals are like kings. They have – drive around in Mercedes; they have huge plots of land. And the troops out in the – don't have their boots, don't have their parkas and the morale – this problem has had a morale side effect. That may be true, but that's what people tell me who know a lot more about it than I do certainly.

My second question, Jonah, is more to you. Having just been up in Northwest Frontier Province myself, NWFP – the AID representative wouldn't come with me because they said it was too dangerous to go. Of course, I had no problem. They're trapped inside their offices. They can't get out. They're like confined to quarters. What is it they're – back to your roads, schools, all the things – the absolutely, absolutely, absolutely. As a former Peace Corps person in Pakistan, I couldn't agree more.

What about the delivery mechanism for getting these things done? AID is notoriously ill-equipped to do it, and there's no local delivery mechanism for roads, schools and all that that I can perceive. Give me some hope here, please, Jonah. Thank you.

MR. BLANK: Good question, Jim.

MR. KORB: All right. Let me say this. I'd ask Jonah to answer that and make any final comments he'd like – we've got about five minutes – and ask any of the panel to make any wrap-up comments. So, Jonah?

MR. BLANK: Okay, great. Good questions, Jim. First off on the Pakistan military, I've certainly seen how the generals live and they live quite well. If you want to see the really – the hardest conditions of the Pakistan military, go up to Siachen Glacier

where I've seen some of the troops just barely having boots and under about 17,000 feet of altitude, and they're pushed even higher than where I went. It can't be good for morale.

On the issue of delivery in, and getting out of the bunker, first, I feel quite the same every time. It's very frustrating to me that I can't go back to the neighborhood I used to live in Lahore. I lived in Lahore as an anthropologist and back in those days, I had a long beard and wore a *salwar kameez* and tried only to speak in Urdu and to lead – (inaudible) – life and all of that. And I could walk around freely anywhere and people knew I was American.

Now, if I go back to my old neighborhood, I have to have an armed convoy. I don't think that's productive and a good way of having – as Steve pointed, we've got to get out and communicate and we can't communicate simply by television. We've got to actually be there on the ground.

On the specific issue of delivery of aid, I think USAID is – has problems getting out and doing that, but OTI, the Office of Transition Initiatives, I think is doing a much better job. They're much more forward-leaning. They're working with Pakistani partners and my feeling, from several trips out to Peshawar in the past year or two, is that OTI is actually doing a much better job than big AID in terms of actually getting projects done.

MR. KORB: Okay. Do you have any final comments on anything, or you want to leave it at that?

MR. BLANK: Me?

MR. KORB: Yes, it's your last chance.

MR. BLANK: Yes, well, I just thank the Center again. I think this is – Pakistan is going to be one of the most important issues that the new administration faces, and I think that the report that the Center has laid out is really very much, I feel, in line with the existing legislation and the existing legislation, I feel, is a real blueprint for a bipartisan, and I hope successful, approach.

MR. KORB: Steve, any final comments on the report or anything, questions?

MR. COLL: Well, I know this administration is going to have an enormous draw on its capacity at home and abroad, but I do think that one challenge that this subject raises is that incremental leadership is not going to be good enough. This is a time for a transformational approach in U.S. relations with Pakistan because the crisis in Pakistan is that grave. I wish it weren't, but I think it is, and I do think that on subjects like trade and the structure of the international engagement with Pakistan, and even on subjects like Kashmir, it is a time for big thinking because otherwise, this problem may slip away from the international community.

MR. KORB: Bob, any further comments?

MR. GRENIER: I would just very much like to second Steve's comments. I think that this is a time that is going to require a tremendous amount of courage, to include domestic political courage. It's going to be very, very difficult for us to follow through on the very aggressive agenda, which I think has properly been laid out in this paper. It's going to require a willingness to take some enormous risks and I do hope that this administration will be equal to the task.

MR. KORB: Caroline, any final comments?

MS. WADHAMS: Thanks so much for coming and if you have any further questions, please feel free to contact me or Brian or Larry or Colin here at the Center and you can find copies of our report on our website.

MR. KORB: Let me conclude by thanking all the audience for coming. I'm sorry I didn't get to everybody's questions. We could have gone on for another couple of hours.

I'll tell you what a privilege it's been to work with this panel and also with my colleagues on this report and this is the third in the series we've done. We've talked about the situation in Iraq, strategic redeployment, talked about Afghanistan, the forgotten front, and this year, Pakistan and hopefully, we could get them all together and realize that they're going to have to –you're going to have to take action in each of those areas.

A meeting like this could not occur without the support of a lot people. I'd particularly like to thank Andrew Rosen,, Suzi Emmerling, and Marlene Vasilic for arranging this, providing the food and getting this going.

And to leave you with this thought – if you ever worry about the future of this country, don't, because with young people like Caroline and Colin and Brian, we're going to be in good shape. So thank you very much for coming.

(Applause.)

(END)