



Center for a  
New American  
Security

## **STRIKING A BALANCE: A NEW AMERICAN SECURITY**

### **SESSION ONE: AFTER THE FIRE: SHAPING THE U.S. RELATIONSHIP WITH IRAQ**

#### **PANEL CHAIR:**

**THOMAS E. RICKS, SENIOR FELLOW, CNAS**

#### **PRESENTER:**

**JOHN A. NAGL, PRESIDENT CNAS**

#### **FEATURED SPEAKERS:**

**GENERAL JACK KEANE, U.S. (RET.), SENIOR MANAGING  
DIRECTOR AND CO-FOUNDER, KEANE ADVERTISERS, LLC**

**GEORGE PACKER, STAFF WRITER, THE NEW YORKER**

**AMBASSADOR SAMIR SUMAIDA'IE,  
IRAQ AMBASSADOR TO THE UNITED STATES**

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MR. THOMAS RICKS: Good morning. Welcome to the first panel of the day. This is the panel on Iraq. My name is Tom Ricks. I'm a fellow at CNAS and the author of a couple of books about the war in Iraq.

It is an honor to have this panel here today, a distinguished group to talk about Iraq. First, Ambassador Samar Sumaida'ie, Iraq's envoy to the United States. He was born in Baghdad, educated there and in the United Kingdom. Before becoming a diplomat, he ran a design company and even to this day, he writes poetry. And if you go to his website, you can read his poem about Ambassador Bremer.

Also on the panel we have General Jack Keane. He is known to many of you as the former commander of the 101st Airborne, former vice-chief of staff of the United States Army, and more recently the godfather of the surge in Iraq. He also is known to some of you as the man who had the presence of mind to turn to our previous speaker and tell him he was shot. And when he said to him, "Dave, you're shot," which probably is not what I would have said if the person next to me had been shot. But he said, "Dave, you're shot," laid him down on the ground and took care of him.

Third, we have another former military officer Nazar Janabi who served in the Iraqi military, was an exile in the late Saddam era, and then as a civilian from 2004 to 2006 was director general of defense policy and requirements in the Iraqi Ministry of Defense. To my knowledge, he has not published any poetry or novels.

And finally, my fellow officer, George Packer of the New Yorker. I knew that he wrote a terrific book about the Iraq war: *The Assassins' Gate*. Looking at his biography, I also saw that he is a novelist. So it's a very literary panel here today. Welcome to all of you. Thank you for being here.

And, right on cue, we have our speaker, John Nagl. John is president of CNAS. I knew him first as someone who fought in the Iraq war. One lesson, be nice to the people you write about. Had I known that John would be my boss one day, I would have been nicer to him in my books.

John is a graduate of West Point, which is a college up on the Hudson River, and Oxford where he was a Rhodes Scholar. He is also author of *Learning to Eat Soup With a Knife*, which is not a prediction of what lunch will be like today.

So, I'd like to turn it over to John.

MR. JOHN NAGL: Thanks, Tom, very much for that introduction. CNAS is a place that does not take institutional positions as you can tell from the disagreement Tom and I have on the merit of my undergraduate institution.

Thanks also to this distinguished panel who's joining us today. Although we're going to talk up here today about the paper Brian Burton and I wrote entitled *After the Fire: Shaping the Future U.S. Relationship with Iraq*, I'd be remiss if I did not mention the fact

that we couldn't be having this discussion were it not for the fact that so many brave Americans, Iraqis and other international diplomats, soldiers, intelligence agents have served so honorably in that country over the past six years. And one of the best of them in my eyes was a military fellow here at CNAS over the past year, Jim Crider. Lieutenant Colonel Jim Crider was a battalion commander, commanded 14 Calvary in Doura in Baghdad during the surge. He can't be with us today; he is currently serving as the G-3, the operations officer of the 3rd Infantry Division at Fort Stewart, Georgia, getting ready to go back for his third tour in Iraq. But he published a story called – an article, a paper for us called: Inside the Surge: One Commander's Lessons in Counterinsurgency. It's here. Today it's available. And it is a great reminder to me of the on the ground process. General Petraeus just gave us the big picture view of how counterinsurgency was conducted in Iraq, is being conducted increasingly in Afghanistan and Pakistan. This is an inside the battalion rubber meets the road view, and Tom was good enough – Tom Ricks was good enough to write an introduction to that piece.

Brian and I decided to write our paper today, and we pulled this distinguished panel together to talk about the future U.S. relationship with Iraq out of concern that this has become now America's forgotten war. And for – and in a sign of support for that contention – for that analysis, I turn to the noted international relations expert Steven Colbert (ph) who recently traveled to Iraq and, in fact, sacrificed his hair in order to call attention back to the well over 100,000 American men and women serving in Iraq as well as the brave Iraqi soldiers and still some international friends helping us try to build out of the fire, after the fire, after the fighting to build a secure Iraq which is an important lynchpin of a secure Middle East. And we thought that that was important.

Now, we're not denying that there are a number of reasons why America could turn its attention away to – away from Iraq and towards some of the other pressing international crises we face. General Petraeus talked about the deteriorating situation in Afghanistan and Pakistan. Clearly we believe – we agree that it is important to strike a better balance between our current commitments to Iraq and our expanding commitment to those two fights. It is also essential that we find the right balance as we focus our attention on other crises in North Korea, in Iran, in the Middle East peace process, dealing with a rising China, tackling the daunting issues posed by global climate change, and I'm pretty sure there's some other stuff we haven't thought of yet. Tune in next year and we'll talk about that as well.

So, quite simply, given everything that's on the plate, this administration and no future administration will ever be able to focus as exclusively on Iraq as the United States did between 2003 and 2008. We recognize that. We understand that. And we also have to recognize – and this is the right place to do it I think – the extraordinary strain that has been placed on America's military forces, particularly the ground forces, through the continuing demands of service in Iraq and the increasing demands of service in Afghanistan. And I've said before and I will say again that I am astonished by the resilience of our ground forces, the extraordinary dedication of the men and women serving in them, but I believe that that is a pressing national security concern, the health of our ground forces, and something we at CNAS are going to continue to look at.

So those are all reasons why we can't focus as much on Iraq as we had, but there are good Iraqi reasons, and we're honored to have the ambassador here to give that perspective,

some of that perspective. The Iraqi people also are growing weary of this long occupation. According to a recent international news pool, 81 percent of Iraqis want an American withdrawal no later than 2011 as currently planned; 46 percent prefer that U.S. troops leave sooner. And tellingly, the Iraqis refer to the status of forces agreement which lays out those timelines as the “withdrawal” agreement. And it’s very interesting to see how words translate.

Iraq is increasingly exercising its own sovereignty and our military freedom of action and freedom to maneuver is going to diminish as that necessary draw down continues. So what I’d like to mention just briefly, and then ask for comments and views, continuing American interests in Iraq, challenges to those interests. Some of the things we think American can do to secure those interests in the light of those challenges. And finally, some of the regional partnerships as increasingly Iraq’s friends and neighbors other than the United States play a growing role in providing security and prosperity and progress in that country.

So first quickly, U.S. interests. It’s fairly obvious that we seek to preserve stability in the Middle East to prevent harm to our allies in the region including Iraq and to forestall conflicts that threatened the continued export of vital energy resources to the global economy. Maintaining regional stability requires addressing the rising influence of Iran and preventing any renewed internal strife in Iraq from escalating into a broader conflict that conceivably could embroil other states in the region.

Our objectives also include preventing the reemergence of a strong al-Qaeda associated presence, whether that’s al-Qaeda in Iraq or some related group.

And finally, it’s in America’s long-term interest to assist in the continued development of a responsible democratic government of Iraq to provide a more sustainable basis for continued U.S. engagement in the region.

There are still substantial challenges to achieving these goals, but they’re different than they were. The current trend of bombings and rising casualties that General Petraeus talked to appears to me at least to be an effort by al-Qaeda in Iraq to rekindle sectarian conflict. We can expect that trend to continue. Troubling as it is, it is only of true strategic importance if it is able to rekindle the sectarian conflicts that drove Iraq, I believe, into the throes of civil war on the streets of Baghdad in 2006. There are a few signs that that is happening.

It’s important that we not overreact to every bombing attack or every incident of violence. I’m confident that there will be many. But what’s more important is that we work with the Iraqis to prevent any incident from sparking a broader conflagration.

The tensions between the government in Baghdad and the Kurdish regional government over Kirkuk, disputed internal boundaries and oil rights, are now widely and I believe correctly viewed as a greater problem than the Sunni-Shi’a sectarian conflict.

The fear of Kurdish expansion also helps sustain the remnants of AQI and other insurgent factions in the northern provinces because they can pose as defenders of the Arab

community. What we're particularly concerned about is the possibility of a tense standoff between the Iraqi military and the Kurdish militia spiraling out of control. And there have been worrisome instances, incidents of tension that have risen to the brink of violence.

So we believe it's essential to strike legislative bargains that address the disputed territories, fairly distribute oil revenue, and keep the Kurds emmeshed within the Iraqi state to prevent that kind of violent conflict.

There are also some warning signs of creeping authoritarianism from the Maliki government. Some of the complaints of Maliki's overcentralization are undoubtedly sour grapes from people whose freedom of action is being constrained by an increasingly powerful government. But the tendencies, I think, are really a concern for the Kurds as they fear having their autonomy minimized under a strengthened government in Baghdad.

And finally, inescapably, we have to call attention to the impact of the global economic downturn and the result in the fall of world oil prices. Oil comprises 90 percent of Iraqi government revenue. The price drop resulted in a \$20 billion loss of revenue and a \$15 billion budget deficit for Iraq. I know in the United States it doesn't seem like it but that's really a lot of money over in Iraq.

None of these issues can be solved by the United States alone nor by force alone. We're going to require the kind of integrated solutions that Ambassador Burns talked about this morning. And I'd like to talk about some of those things we can do in order to help Iraq develop more effectively.

First, we've continue to very strongly believe in security force assistance to professionalize the Iraqi military and police and increasingly to develop them not as individual soldiers or policemen, not even as units, but as institutions. Iraq is going to need continued technical support, particularly with regard to logistics, and air support for a number of years to come. But the way those units are going to behave in the field is largely going to be determined by the quality of their senior leaders and the culture of their institutions. We believe that we should target up and coming officers in Iraq's military for more exchanges both in the United States and with our allied militaries. Helping Iraqis develop personnel systems to reward merit while minimizing corruption and cronyism is also going to be essential.

This is a long-term task that will not be complete by 2011, but it is an effort, we believe, that we can normalize and we can largely operate out of the Embassy as time goes by rather than exclusively with military units.

We also have a great question on developing Afghan governance capacity and capability, this is something that we need to continue to work on in Iraq. Mismanagement and corruption remain persistent problems as is a general lack of technical skill in the ministries and in particular in provincial and local governments.

Provincial reconstruction teams and ministerial support teams provide crucial support to help build Iraqi capacity to perform these functions on their own, and we recommend maintaining those as long as possible through the transition period despite calls to consolidate the U.S. civilian presence at the Embassy. We need to help the Iraqis

develop institutions by establishing promotion systems based on merit and create long-term bureaucratic processes.

And finally, we believe we need to assist in economic diversification. General Petraeus talked a bit to the increasing focus in the U.S. government on building agricultural assistance and expeditionary capability and assistance capability from some of the units – elements of the federal government that have not traditionally viewed themselves as having an overseas role. Agriculture currently accounts for 10 percent of Iraq's GDP and 25 percent of its employment, and we believe that this is an area where the U.S. can help develop Iraq's human capital and diversify the economy and have a number of second and third order positive effects.

And the last thing I'm going to talk about is regional partnerships. Obviously Iraq has to fit into a broader strategy for the Middle East and the Persian Gulf. There's a particular concern with Iran. Iran's role has huge implications for America's relationship with Iraq. Many people were very concerned that the Shiite majority government in Iraq would tilt the regional balance of power. And what we're seeing, we believe, is not that. Iran does have more influence in the Middle East than it did, but the prospects for Iranian hegemony over Iraq are less significant than we'd feared. When I was in Basra last summer, I got to talk about this concern, and there are very long memories of the Iran-Iraq war from the 1980s, and I think some real offsetting pressure. So I believe that with continued American engagement, it will be possible to offset any increased support for Iran from the Iraqi government. It's unlikely to become an Iranian proxy.

But America's diplomatic friend and partners in the region can help make that even less likely. We should work to improve strategic ties between Iraq and the rest of the Arab world. There are states, including Saudi Arabia, that are very wary of the current government in Iraq, but I believe that we can facilitate low level coordinating dialogues, the promotion of track 2 contacts between economic and cultural leaders as well as mil-to-mil contacts to thicken Iraq's ties to other neighbors and cultivate a broader constituency for normalized relations.

There are ways to use negotiations such as refugee relief with Jordan, border security with Saudi Arabia and Kuwait. Develop those negotiations into broader relationships that support regional stability. And one quick example, the Turks initially engage with Iraq pretty exclusively on the issue of the PKK terrorist group, but cooperation on counterterrorism has expanded into a significant economic relationship, and today Turkey is Iraq's largest trading partner. These links will not necessarily result in formalized agreements or treaties, and it's going to be – this is going to be a long, slow process with setbacks along the way. But I believe that intermediate term patience can payoff substantially in developing a long-term relationship between these countries and Iraq further creating a web of positive influences that build on the sacrifices that have been paid by the Iraqi people and by so many American people over the past six years.

America's relationship with Iraq will not end in 2011 when American troops are currently scheduled to withdraw from that country. My own professional life began in Iraq in 1991, and the American relationship with Iraq will matter long, long after I'm gone. America has to take this opportunity to establish a lasting partnership with Iraq that enhances security and stability in the region. And this, we believe, is a challenge that

warrants attentions from even more influential people than Steven Colbert.

And I would now like to turn over to the panel.

MR. RICKS: Thank you very much. Can you all – okay, good. John and I agree on many, many things, but as he CNAS does not take institutional positions. I know we disagree on at least two things. One, as he noted, is my modest proposal to shut down West Point. The other is the surge in Iraq, which John believes succeeded politically and I do not think so, which leads to my question, which I'd like to pose first to John and then to the panel. For many years the most reliable lens through which to view Iraq has been one of pessimism, yet this paper is pretty optimistic. Why, at this point, should we switch from pessimism to optimism? And why should we think that the relative quiet that we have in Iraq now will continue? John?

MR. NAGL: I am not yet ready to be anything more than guardedly optimistic about the future of America's relationship with Iraq. I do believe that the cycle of sectarian violence has been broken. I believe that it is very, very unlikely that these Suni Shiite's conflicts that was the primary driver of that conflict is going to be reignited. I am confident that if America remains engaged in Iraq, if the American people and in particular the American military and American diplomats continue to make the sacrifices that I think will be necessary for a number of years with a decreasing level of involvement that we can prevent the dark days of 2006 from returning. And I believe that Iraq is building. I think General Petraeus talked to the January 2009 elections, provincial elections as a sign of Iraq increasingly turning toward issue based rather than identity based politics, and that's probably the single most important thing that has to happen.

MR. RICKS: Okay. George Packer.

MR. GEORGE PACKER: I think everybody who has been either a participant or an observer of this war should make, at some point in our lives, a long list of everything we got wrong about it. Just go back and at each stage of the pre-war and the war, what did I think at the time, and what happened? And I think to be honest, in most cases, it's going to be a long list. Mine is quite long actually. And it's a very useful mental exercise. It's a hard one because your memory tricks you, and you actually start to imagine that you had predicted the insurgency when in fact you hadn't predicted the insurgency. So – but I say that in order to say I don't know. Optimism, pessimism, I mean these aren't really useful categories because I don't – no one in this room knows. I wrote a piece in the New Yorker two years ago called "Planning for Defeat". That title was too pessimistic. We were maybe six months away from a real turn in the security situation. That article had actually a number of suggestions for how we should stay engaged in Iraq after what seemed like the failure of our strategic goals. And a lot of those suggestions are in the report. And I'm not saying that John got them from me; I probably got them from John two years ago and two years later they've now been published in his report because CNAS has had a lot of influence on my own thinking.

I think the report is sensible. It makes a lot of good suggestions, and they are suggestions that people with grand geostrategic thoughts might not come up with like student exchange programs, agricultural expansion, developing Iraqi bankers. Iraq used to

have a lot of bankers, very good bankers. Yes, Iraqis have a talent for banking; let's help them regain that talent and build their economy. Some of them are bigger like pushing for a diplomatic integration of the Arab states in the region with Iraq and strengthening Iraq's governing institution.

But I think the striking things about the report are, first of all, how little emphasis there is on our military power. The key sentence in the report is: "These outcomes will not be achieved through force." I think that's a realistic assessment. And what that leads to is the recognition that our leverage has fallen dramatically over the last couple of years and is going to plummet. It's going to plummet. We will have very little ability to – if things fall apart again, as Tom I think your question kind of suggests they might, to put them back together. We simply won't be there in a way that will allow us to do that. And as much as I'm an advocate of student exchange programs, and I think that they should be expanded greatly, that's not going to do the trick if, for example, the Arab-Kurdish fault line turns into the next Iraqi civil war. And so the question for us I think is in the absence of that kind of leverage that we've had in Iraq until recently, will our attention be adequate to do what we can. This is what worries me the most, and I think it's sort of the premise of your report, Iraq has dropped from the public's mind, from the media's mind – and I'm one of the guilty parties in not writing about it regularly these days – and from the government's mind. When you talk to leading officials in the Obama administration, Iraq does not come up unless they are specifically responsible for it. We have done this dramatic shift in our American way of devoting our amazing energy and resources from Iraq to Afghanistan and Pakistan. And the question is: are we capable of paying enough attention without large numbers of American forces, or after 2011 any American forces in that country to the smaller and less dramatic but the tools that we will still have available to us? Because there is no policy without attention. We could have the best policy in the world and lay it out in bullet points in a strategic fashion and still it won't matter if we're not – if the government doesn't pay attention. And it has a limited amount of attention to pay. Or to provide the necessary resources. We have a national trait in the history of these dramatic swings of attention. Brigadier Nigel Aylwin-Foster, a British Officer, who was involved in the writing of FM 324 of the counterinsurgency field manual said to me at Fort Leavenworth: "The field manual shows that Americans can't help doing what they do in a humongous fashion." He thought the British Army would have produced a nice little 30 page report. But then we turn our attention elsewhere. I mean, Afghans could tell us a thing or two about what happens when we do that. And we should not assume that the same thing won't happen in Iraq. I'll leave it to Ambassador Sumaida'ie to talk about the future of government in Iraq, of the economy, of the possibility of authoritarianism that the report talks about. But I think we Americans should be very modest in our faith in our own predictions.

But I think just to finish, one thing we should remember, for all the successes we've seen over the last two years, and General Petraeus laid them out in his usual convincing fashion, life in Iraq remains very difficult and violent for Iraqis. Services are poor, government is routinely corrupt, unemployment and poverty are rampant. And maybe above all, there is this massive psychological trauma of this war and of previous wars and of decades of tyranny and isolation. And the political and social effects of that trauma had not even begun to be reckoned with. But the Iraqi people are in a position of in a way having to begin again with this terrible legacy behind them and with these ongoing problems of daily life that have not been solved at all. Freud said that the purpose of psychoanalysis is to take extreme neurosis and turn it into ordinary unhappiness, and I think

we should hope and aspire and work for Iraq to take its place among the ordinarily unhappy countries of the world. But if things fall apart over the next couple of years, our ability to pull them back together will be close to zero, and none of us should have any illusions about that.

MR. RICKS: What you just heard there was I think history making, a journalist in Washington voluntarily discussing his mistakes.

GEN. PACKER: It's very therapeutic.

MR. RICKS: Now we're going to hear from one of the Iraqi people, Nazar Janabi.

MR. NAZAR JANABI: Thank you. Well, back to the original question, I think some level of optimism is totally called for. A couple of days ago, I was at the chamber of commerce and the Iraqi deputy prime minister was there, and he was – he didn't say anything about security. He was talking business, he was talking banking, he was talking inviting people to Iraq. That – one year ago that wasn't possible to have an Iraqi – a senior Iraqi official attend a meeting and not even mention security, just flying by saying oh by the way, the security situation as you know is much better now and we would like American businesses to come into Iraq and to contribute to the building of Iraq. So I guess this would call for some level of optimism. That said, there are certain trends in Iraq that Iraqis should start dealing with and should start addressing in a rigorous manner. And the first one of these issues is the reconciliation process and the integration of the Sunni awakening into the security or into civilian jobs. This is one of the things that remains a potential of a resurgence of violence. Although, this potential is significantly reduced as addressed in this report, but I think this potential is still there and it still needs to be addressed. That – on the security side.

On the international or on Iraq's relations with its neighbors, we have recently seen some sort of an escalation in the relations between Iraq and Kuwait. And back and forth since Iraq has been trying to get out of the Chapter 7 status, the U.N. and Kuwait is still opposing to that. That's one of the issues that Iraqis are trying to address, and it's inflating the – even the Iraqi parliament, some members in the Iraqi parliament are trying to sue Kuwaitis for their role in the United States invading Iraq in 2003 and a number was thrown up like \$10 trillion of compensation, something like that. But this indicates some sense of unresolved issues, the issues between Iraq and Kuwait. A month ago, Prime Minister Maliki said, "We have tried, we reached out to Saudi Arabia, and yet we had no positive response so as of now we're not going to try to reach out to Saudi Arabia further unless there is some indication that Saudi Arabia is willing to take our hand." That's also one of the things that Iraq is facing with its neighbor, with its surroundings.

One issue is that the tendency, and this was mentioned in the report, that centralistic tendencies and how these tendencies are making some of the Kurds and some of the Sunnis uncomfortable with Prime Minister Maliki's government. And this has also some potential of being exacerbated by some events.

The last thing that I wanted to address as one of the challenges is that institution, that government institutions that are being somewhat influenced by the increased influence of Prime Minister Maliki's advisory group or Prime Minister Maliki's teams that are kind of

causing these ministries and these organizations to not function and now in Iraq, within the democratic process, we're hoping for next year's election, Prime Minister Maliki might or might not be elected to be Iraq's next prime minister. Now if someone else, if Iraq would have a new prime minister, then the advisory team that Prime Minister Maliki had with him is going to be changed and this would create some sort of a problem in the continuity of the government functioning, because currently some organizations, some ministries, some institutions are being overshadowed by the advisory team that the prime minister has that is taking over some of their responsibilities. Now if this advisor team were to be replaced in the next elections, and this might not be true but it's one of the options, this would inhibit the functioning of the government at least for a few months to a year at the beginning of a new administration. That's one of the things that I think the United States is in a very good position to encourage the Iraqi government to rely on its constitutional organizations or institutions, ministries to kind of double up them and make them functional rather than depending on a parallel organization that might inhibit future development of the government.

I think I'll stop now and –

MR. RICKS: Thank you very much. General Keane, the floor is yours.

GEN. JOHN (JACK) KEANE: Thanks Tom. I can appreciate George's comments because I've been struck for a long time how so many for so long have been so wrong about Iraq both in and outside of government, and it's also true for some people in this room to be quite frank about it. And there's some explanation for it, as there always is, and I would offer mine. And I shared in being wrong for close to three years myself. And some of it has to do with not understanding the very nature of the conflict itself. Certainly our military do not. And many other people have not. Many commentators to this day still do not understand the nature of the conflict, what the real crucible of the conflict is. It is not Shia sectarian violence. That was not the issue. It became an issue, but it's not what started the war. It is a regime enjoying the return to power aided and abetted by al-Qaeda. And when you understand that and start to work against that and recognize that we made decisions not to protect the people, and the Iraqi's – our decision not to protect the people and the Iraqi's could not, the enemy decided to provoke the Shia who were always defensive with some exceptions in 2004 and successfully did that after they had a meeting in Jordan in the Hilton Hotel with their security guards present and decided to initiate the Samarra Mosque bombing in February. We know a lot of this because we talked to the people who were running it; they've been in our jails. And we have a sense of what was going on now in looking back at how this got started, how we missed it and so on. And not understanding the nature of the conflict also contributes to the challenges we face ahead in terms of what we believe the resolutions are in Iraq and what the potential geopolitical solutions are as well. The other thing is we're very emotionally invested in Iraq because it's the so-called "bad war" and how we got started in it. And I would hope that we could start to leave some of that behind and deal with the reality of what is happening in Iraq and to its people and the strategic significance of it.

Fareed Zakaria and Tom Friedman have both written recently about the strategic significance and importance of Iraq in terms of the stability of the region itself. And that is certainly very true. And anybody who looks at this region realistically knows that. Anyone living in the region certainly clearly understands that. When you talk to Sunni Arab

leaders, thoughtful Sunni Arab leaders about it up and down the Arabian Peninsula, they certainly understand it clearly. And the importance that Iraq has and the statement it's making to the region as it moves forward as the only elected Arab/Muslim government in the region, the only one. And that's an incredible reality itself. We don't know what that outcome is going to be because they're continuing to move forward and they're in the fledgling stages of it. But not to invest in that and continue to invest in that, would be tragic. I think John's report is a good one because he outlines some of the major issues that are there and frames them for discussion and hopefully to attract some interest in what is taking place in Iraq. Some of the facts are these: the security situation in Iraq is truly a good one. Al-Qaeda has been operationally defeated since late 2007 to be quite frank about it. The command has great difficulty announcing that because there's a car bomb around the corner the next day. But when you analyze it militarily, that's the reality of it. They can no longer threaten the legitimacy of the regime. That's been a reality now for some time. They can execute a car bomb and get a catastrophic result but they cannot sustain it. And when they sustain it, we pick them up. That's the reality of it.

The mainstream Sunni insurgency has some irreconcilables in it but the overwhelming majority of them have stopped the violence and many of them are in the political process. What an extraordinary result that is. Insurgencies, when you defeat them, they sort of fade away or they in some way try to achieve their political objectives in a political process. That is absolutely the best of all outcomes, and we have that outcome right before us in Iraq today.

The Shia extremists and the Iranian influence – Maliki, a controversial Shi'i to be sure but among the Shia leaders, he's clearly the most anti-Iranian. And for some Sunni Arabs, he may not be enough. But among the Shia leaders, he's the most, and he militarily defeated the Iranian influence in 2008 and helped shape their political defeat in 2009 in the provincial elections. It's a dramatic outcome, and one I think that will help to usher him into office again maybe for another tour as he celebrates the defeat of an insurgency and the pushback of the Iranians, et cetera, et cetera and takes all the credit for that as any politician would rightfully do. And that's the reality on the security situation. And we will continue to have car bombs from time to time but that doesn't justify the troop presence we have, my God. To be quite frank about it, even the al-Qaeda alone wouldn't have justified the troop presence we have. It was the Sunni insurgency aided and abetted by al-Qaeda that was really the issue and always has been the major issue. Just to give you some views on that, I think in terms of the geopolitical situation, this government privately in Iraq is very concerned about our administration. They are concerned about whether they're going to continue to support them, because like anyone, they listen to the rhetoric. And you've heard the rhetoric, the rhetoric is we're going to turn Iraqis over to the Iraqis and they have to take care of themselves and prove themselves, it's their future, they have to grasp it and so on. Well, you couple that with some of the other things that we have done with allies in the past, and that can translate to Iraqis, are they going to be with us or not? After the struggle that we've gone through, we've got ourselves on our feet finally, is this administration going to invest in this? Are they going to help us with the Sunni Arab states, to bring them into the fold, to deal with what I think is absolutely outrageous behavior by Saudi Arabia in what it's doing in stifling the growth and development of its neighbor in Iraq? Can we have some influence over that? Certainly we can. Can we – and many of the other Sunni Arab states certainly are moving closer to Iraq. They recognize the opportunity that is there in terms of regional stability. Some of them, quite privately when

you talk to them, they're all autocratic regimes, every single one of them. And quite privately, some of the more thoughtful leaders also see the writing on the wall what the implications of a democratic Iraq with a market economy where the people have a lot to say about the future of the country what the implications are for their regimes. They're thoughtful people, and they understand that a generation or two from now, some of their autocratic regimes may not look the same way they do today. That even said, the fact of the matter is they truly want Iraq to succeed because of the stability factor it offers the region and the obvious issue of a buffer against the Iranian hegemony in the region and what that implies. That alone as a lever against the Iranians is a major reason that you would believe that the United States government would have some interest in a strategic, long-term strategic relationship with the Iraqis. The strategic framework agreement, not to be confused with the status of forces agreement which was the second document, espouses a long-term strategic relationship with the United States as an ally of the United States. That is political, economic, social, educational, and also military and in other words, an ally. That is what is in that agreement penned by both leaders of our government and the Iraqi government. And that in itself is a basis to go forward. Certainly nobody running for political office in Iraq can espouse and be for the occupation. At the same time, the people in Iraq truly appreciate the securities improvement that's taken place there. And the political reality in Iraq I think, the challenges there internally, you know, Maliki has consolidated his political power. He's consolidating now under the UIA a more Shia dominated political entity and what that means in the future will remain to be seen. But the counsel of representatives is also a significant check and balance on the prime minister's power. They've taken money away from him. They've put a Sunni in charge of the counsel of representatives. And that's a healthy thing. As we know in our own country, we have plenty of experience with it. It's a political maturation that's taking place. There is a potential it could turn sour. Certainly Maliki could turn into a strong man, as John mentions as one of the options, and it could turn to be an autocratic regime, a Mubarak in Egypt sort of regime. That's certainly a possibility. But the way to help that is to influence it and shape it to be involved in that growth and development and to assist in it it would seem to me as the appropriate role for the United States government to play and also to take a regional approach with its neighbors, Turkey certainly and the Sunni Arab states, in helping to contribute to the maturation of that government and also to its economic well-being. Those opportunities are there for us. The Iraqis clearly want it. That is a significant statement that they're making to us. They want a relationship with the Iranians to be sure, and the Iranians will be much longer there than we are and that's obviously their reality. And the Shia nominated government has relationships with them, some of them are personal. But they want to be ally of the United States of America not Iran. They see what the implications of an Iranian influence would do to their country. They understood clearly what it was doing in contaminating them in the south and that's why they finally struck it down. So they want a relationship with – they want it to be responsible, but they want to be aligned with the United States of America. And that to me is a significant opportunity for the region in terms of what Iraq can contribute to the region itself as it grows.

The other thing, they obviously have a significant issue in front of them with the Kurds, the Sunnis, the territorial dispute, Kirkuk and oil revenue sharing. But like most problems, they're not intractable. These are human problems that can be resolved by humans. This goes to back to what things were in 2006 and most felt that was a hopeless situation. They're not. These things can be resolved politically as difficult as they are.

And it certainly has to be an Iraqi solution, but I think the U.N. can assist in this. The United States can certainly play a role to help shape it and influence it.

So there's plenty of opportunity there, and I hope we can get past the shackles of our legacy and how we feel about Iraq and divest ourselves of some of the emotion that we've invested in it and maybe look a little clearer at the opportunity it affords for us in terms of security in the region and our own security as well.

MR. RICKS: Thank you very much. Ambassador Sumaida'ie, we've put an awful lot on your plate. I appreciate your patience. The microphone is yours.

AMBASSADOR SAMIR SUMAIDA'IE: Thank you very much. One of the advantages of being the last speaker is that all the points – all the good points will have been made by the time I speak. I'm grateful for that. That makes my task a little bit shorter.

Just going back to this theme of optimism versus pessimism, I do agree with George that they're sometimes not very useful categories. But when – back in the days of the governing counsel, I was known to be the optimistic one. As I worked with Mr. Bremer at that time, I think that's how he perceived me. And when we later met in Washington in the dark days of late 2006, he asked me, "Samir, are you still optimistic?" I said, "Yes, but the timescale has changed." And that's really the crux of the matter. Iraq will come out right, but now we know it has – the price has been very high. There will continue to be more price to be paid but (a) the outcome matters, matters deeply to us Iraqis and to you in this country and to the region, and (b) the alternative is just too awful to contemplate. If you think of the two scenarios of a collapse in Iraq, Iraq turning into another failed state and the consequences of that to the region and even to the idea of democracy in the region of the world, and it's just too awful.

Now, we – people talk about attention, how much attention can the United States continue to give. It's not so much how much attention, it's the quality of attention. And we understand there are so many things for this American administration to deal with. But on Iraq, the United States has changed. It has changed through experience. Initially they went into Iraq without real deep understanding of what they are walking into. They made some very expensive mistakes, very horrible mistakes not the least of which declaring it to be an occupation which legitimized immediately the insurgency of the terrorists' action and made people like myself and others to be seen in the role as collaborators with the occupier. And there were many, many other mistakes, but the important ones are those which resulted in structural consequences within Iraq. The decision to have elections when they were held, in my opinion, too early. Iraq was not yet ready for them. A decision to write the constitution when it was written and by politicians than by statesmen. Again, it was too early. Iraq was not – the result is that we have no structurally within the State of Iraq some issues that cannot easily be washed away, and we will have to work for a long time to edge our way around them until we solve them. It is for this reason also that the Americans should continue to be engaged. Now they have learned a lot. American attitude towards Iraq at every level, the level of writers and authors and journalist as well as the level of politicians and military officers, it has evolved. The Americans that we deal with today are not the same Americans that we dealt with in 2003, much, much more aware and involved and much, much wiser I must say. Therefore, it is the quality of attention that is required. The

realization that Iraq must come out right, that now it is time to shift from the – (inaudible) of forces agreement to the strategic framework agreement, puts the relationship between Iraq and the United States on an entirely different basis thinking of the future, helping Iraqis deal with some of the consequences of American decisions or American instigated decisions. There is a responsibility there. And those people who say American influence is dwindling, I say no. It may be militarily; we won't have so many boots on the ground in a couple of years from now, but America has left its mark. Iraq is now used to dealing with Americans. The Iraqi police and the Iraqi Army are dressed much more like American Military than the Saddam Military. It is an American culture. McDonald's has not opened up there – (laughter) yet, but I can assure you American culture has pervaded Iraqi consciousness to an extent that is underestimated. It's the soft power which now should be exercised rather than the hard power. And there is a lot of it. And what I see, and I am dismayed by this, there is a reticence, there is a reluctance to exercise this soft power. I think America should be much more forceful, much more engaged. And the final thing I would like to say is that managing the disengagement from Iraq will be extremely important. We should get that right although we got the engagement wrong. The way you disengage militarily and politically is going to matter. It will leave long-term impact on Iraq, and it could be a determining factor in shaping the future of the country. Maybe I am putting more weight than most people would do, but I know how crucial this is. There are issues that can, I believe, can only be resolved with the help of American – our American friends.

In the darkest days, I was one of the voices of optimism in this city. I never thought that the conflict between Sunnis and Shi'i would degenerate into an all out civil war. I always called it not a civil war but a war on civilians. It was extremists targeting civilians of the opposite sect, never communities. Communities never engaged in war. It is very different from Ireland. It's different from many other places. Iraqis have for thousands of years have been living in a pluralist society. This goes against the grain. We caught sectarianism as you might catch the flu. We will recover; we can recover. And I believe we have the capacity to move forward and really build a country which – I hesitate to use the word model, but is worth being proud of. And the pride should then be felt not only in Iraq but in the United States.

Thank you very much.

MR. RICKS: Mr. Ambassador, thank you very much. That was an eloquent statement. And that's what happens when you have an Ambassador who is also a poet. He has to leave for a meeting with the deputy prime minister, couldn't keep the deputy prime minister waiting too long. We now have a few minutes left in which to ask some questions. We have microphones being distributed through the audience. If you would put up your hand, and when you ask your question, identify yourself and make sure it's a question, please.

MR. : You've got somebody far right, Tom, I don't think you see.

MR. RICKS: Okay. Go ahead.

Q: Jeffrey Stacey from the state department, visiting fellow at the Elliott School. I speak today on – with regard to the latter not the former. I have a question for General

Keane and for the whole panel really. General Keane, you take a consistently unique approach to things. To demonstrate that today, in this banner red tie panel leading the proceedings and you've worn a blue tie so your reputation is solidified. But I privately am as cynical despite having a difficult time disagreeing with much of what you've said today and privately as cynical as Mr. Ricks as been publicly. And I'm not sure Mr. Packer that actually you've been wrong. And I wonder if we consistently are far over optimistic. I think the problem with the political players in Iraq is not that they don't know how to win, it's that they have a difficult time with losing. And that many of the games that have been touted are either reversed, reversing or more likely than not to be reversed. And I speak about Ninivah (ph) and the post-election squabbles. I speak about Kirkuk which could perhaps bring all of the cards down.

MR. RICKS: And this does lead to a question?

Q: And I'm wondering, what happens, General, when forces withdraw south from Diala East from Anbar and violence breaks out and the U.S. forces are headed to the exit, what do we do then?

GEN. KEANE: Well, I would like to pose it another way. We're going to pull our troops out of the cities as we're doing right now, and they'll be mostly all out completely by July. The level of violence I don't think systemically will rise. What are we going to do as a result of that siminole event? We've pulled our troops away from protecting the Iraqi people. The Iraqi security forces will be protecting, and they're will be an occasional car bomb that goes off. There will not be a systemic rise in violence. And is that a political opportunity for us given that siminole event that's taking place, the Iraqis are on their own, they're now demonstrating the fact that the security situation is manageable. Still not satisfied with that to be sure. The irreconcilables are still up to mischief and there are still people being killed. But nonetheless, it's something that they're dealing with that we're no longer dealing with. Is there something there geopolitically for us to take advantage of and help to move Iraq forward? I think there is so I would turn that pessimism around to what I think is really going to happen.

And these political grievances that exist in Iraq, they're very real, but they are working towards them. And that's the good news. They're using the political process to deal with it, and they're not using violence to achieve those ends. That is a good thing. And they'll be contentious, and there will be fractures at times. And from our perspective in dealing with an ally, we may not like some of the solutions, and that's okay. It's their country. But I'm fairly optimistic about that. I don't suggest that there's not real challenges; there certainly are. But I know that – I go back to the point that there are opportunities here for our continued engagement to assist them and to continue the encouragement that they need to pursue these challenges politically. And in about 45 days we'll have another one of those opportunities.

MR. RICKS: Do any other members of the panel want to step up and defend their over optimism?

MR. : I would describe my optimism as guarded and cautious. The foundation of my optimism is – such as it is – is the quality and the size of the Iraqi security forces, which are our exit strategy. And the Ambassador talked to the equipping of the forces. He didn't

talk very much to the size. General Petraeus talked to the numbers matter question in counterinsurgency.

The Iraqi security forces are increasingly professional, increasingly well-trained. We made some recommendations on ways to further and enhance and accelerate their professionalization, but this is a – there was good material from which to work as we built the Iraqi Army and the Iraqi police. The lessons of that are, I think, particularly instructive and particularly important as we think about Afghanistan where we have, despite being engaged in that fight for a longer time period, have built far, far fewer security forces, equipped them far less well, trained them far less well. And unfortunately, because of the devastation that that country has suffered, had not had the raw material to leaders to work with that we did in Iraq. So my response to Jeffrey's question really is remembering some of the battalion commanders, the Iraqi battalion commanders I worked with several years ago are now commanding brigades and assistant division commanders, and who I think are good foundations in which to build an increasingly capable country.

MR. : I don't think you've really had your question answered. I hope General Keane is right, and he has been right about key things in the last couple of years. I hope John Nagl is right. But if, as we leave, violence breaks out on a large scale, we are not going to go back in. There is not the political will in this country to do that. And so this is a calculated risk. Our withdrawal is a big calculated risk. And I don't think anyone in this room should imagine that they know it's going to work out safely for us and the Iraqis.

MR. RICKS: Okay, we have time for one more question so I'm going to ask for a two-hander, which is the question that if you don't get to ask it, you're going to go home muttering to your spouse. Are there two-handers here? Yes? Can we get a microphone for him?

Q: I'll try to rise to the occasion. David Asher with IDA. The success of the U.S. occupation experience in Japan and Germany was predicated on the Marshall Plan. The Marshall Plan was driven by massive amounts of U.S. direct investment and trade with both those countries. We spent \$675 billion at least in Iraq. We have less than a billion dollars in non-military direct investment. How can we possibly succeed given that statistical profile?

MR. RICKS: Who are you addressing this to?

Q: I think General Keane is – and as well as Mr. Janabi have both made articulate references, I think, to the need to change the disposition of our relationship.

GEN. KEANE: Well, I think the contrast is pretty stark because the Iraqis do have a source of economic well-being, and it's obvious in terms of their oil production. Certainly what happened in the last six months with the price of oil has had a significant impact on them, about a 25 percent or so reduction in what their capacity is to do various economic things inside the country. The price of oil is changing right now as we speak and moving back up so that's a benefit to them.

So I think one of the good things that has always been a major issue for us in dealing with Iraq is the fact that they do have a source of wealth themselves. And it's not at a

destitute stage as we have found at the end of wars that had such a dramatic impact on every means of production and the population post-World War II. So I don't think it needs any comparison to with the Marshall Plan in World War II which I'm pretty familiar with. And I think our assistance with the Iraqis is – while I think some of it certainly should be economic in terms of foreign investment in the country, and they desperately want that – the state department in particular – as this security situation is stable, to get and encourage foreign investment into Iraq which they desperately need.

MR. RICKS: And now an Iraqi view.

MR. JANABI: I think the numbers – I can't speak to the numbers but I can speak to the engagement in Iraq. I think for now, especially economically, everyone knows that Iraq does not have the capacity to execute their budget. Many of the – at the provincial level and even at the national level, the procurement process is – the budgetary processes and regulations all need to be revamped. And this is probably one of the key places that Iraqis need quality assistance rather than quantity assistance, quality presence rather than quantity presence. Auditors, IT people who can train Iraqi finance ministry and work with the banking system with the trade ministry, with these organizations in order to build the capacity for them to actually execute their budget, program their acquisitions over years and do the modern way of banking and conducting business. This is one of the key problems that Iraq's economy is facing. Iraqi has been excluded. It has been in a closed state for the past 30 years. They have no access; they had no access over the past 30 years to modernizations in banking, in economic processes, in agriculture, in industry, in every aspect. And this is where the United States could be contributing significantly and qualitatively to the improvement of Iraq.

MR. RICKS: Given CNAS's bipartisan or non-partisan tradition, a short tradition but nonetheless one, I want to end on a Reganite note and let John Nagl speak because he paid for this microphone.

MR. NAGL: I would just like to associate myself fully with those remarks. And I really wish I – one of the things I keep in my office is a can of tomatoes, Iraqi tomatoes grown in the land of the true rivers and canned at the Harir tomato paste plant. And it's an interesting story because in the land of the two rivers, Iraqi farmers were not growing tomatoes; they were importing tomatoes because there was no way to store them. They would rot pretty quickly. The canning plants, as was just discussed, that mechanism didn't work. And my West Point classmate, Dan Rice, figured out a way to bring in a pretty small amount of American money and get some canning plants up and running again. And we've been talking a little bit about some of the ways the U.S. government could help, but there is economic opportunity there as well. So I think that we can think differently about using power, using smart power, using relatively small investments and some of the particular entrepreneurial skills that Americans have so well. All of – and as General Petraeus spoke to this morning, economic development and governance and security all grow together, are all intertwined. And I really appreciate the opportunity to talk about that this morning and refocus some attention on a country that's going to be, I think, very important to America's future.

MR. RICKS: This has been a terrific panel. I have learned a lot from it. I hope you have as well. Please join me in thanking them.

(END)