NEW AMERICAN STRATEGIES FOR SECURITY AND PEACE
OCTOBER 28-29, 2003 - WASHINGTON, DC
PANEL 5 - AMERICA'S INSTRUMENTS OF POWER:
AN AGENDA OF REFORM - MR NO. 8

LOG: JL = Congressman James A. Leach (R-IA); MF - Michele A. Flournoy; BT = Lt. Gen. Bernard E. Trainor, USMC (Ret.); JS = James Steinberg; RB = Rand Beers; MS = Unidentifiable Male Speaker

JL: The topic of the final panel is America's Instruments of Power: An Agenda of Reform. And to frame the subject let me suggest to the panelists that it might be appropriate to probe the question of the limits of power, of super power and the possible anomaly that there are liabilities, and the possible anomaly that there are limits of power, particularly for a super power.

For instance, does overwhelming military might protect us from terrorism, or if used unwisely, escalate vulnerability to terrorism? Likewise, does overwhelming economic power insure loyalty or buy friendship even from countries who are indebted most to the United States? Is there, in other words, a substitute for good

policy when power is exercised?

And given the dilemma of Iraq, couldn't it indeed be that the most important multi-billion problem America faces is not deficits, fiscal or trade, but the antagonism of billions of citizens around the world who, at the moment at least, object to our policies? Here to help us with these and other questions is an exceptionally talented and experienced group of panelists.

Our first presenter is Michele A. Flournoy. Ms. Flournoy is a senior advisor in the International Security Program for the Center for Strategic and International Studies. She's previously worked as a distinguished research professor at the National Defense University and served in several positions at the Department of Defense.

Ms. Flournoy holds degrees from Harvard and Oxford. Our second panelist is General Bernard E. Trainor. General

Trainor is a senior fellow for National Security Studies at the Council on Foreign Relations, and is an associate at the Center for Science and International Affairs at the Kennedy School of Government at Harvard.

General Trainor is a decorated officer whose military career includes a wide variety of command and staff assignments. Our third speaker is James Steinberg. Jim is Vice President and Director of the Foreign Policy Studies Program at the Brookings Institution and is a former Deputy National Security advisor.

His previous positions include senior advisor to the Markle Foundation and Director of the Policy Planning Staff at the State Department. Mr. Steinberg received his BA from Harvard and JD from Yale Law School. Our final panelist is Mr. Rand Beers. Mr. Beers has served four different positions on the NSC staff during four different administrations.

His areas of responsibility included counter-terrorism,

counter-narcotics, intelligence and peacekeeping. He was also Assistant Secretary of State from 1998 to 2002. His final government position was a senior director for combating terrorism on the NSC. At the moment he is serving as National Security Coordinator for Senator Kerry's presidential campaign.

I have asked our panelists to limit their comments to five minutes. I have brought a watch to conduct a congressional kind of polite ending circumstance to the discussion. And it is my hope that the predominance of what will occur today will be questions and answers so that our distinguished guests can ask questions. And so let me begin with Ms. Flournoy.

MF: Congressman thank you very much, can everybody hear me? I want to start by applauding the conference organizers for creating a forum for having public discourse about our national security at this point in time. I think it's absolutely crucial and I'm very glad to see all of you here to take part in the discussion.

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I've been asked to talk this morning about the US military, and the particular challenges that it is facing now and in the future. And I wanted to highlight four key challenges for you to think about this morning, challenges that the military really has to surmount in the near term to be effective in protecting and advancing our interests in the long-term.

The first one is what I see as a fundamental mis-match between the demands of the post-Cold War, post-9/11 world, and the pool of capabilities and the structure of the US military. I think there are several examples of this or evidence of this. There are Iraq units coming out of Iraq that have already been told they're going to redeploy to Iraq in the next rotation cycle.

There are things called low-density, high-demand assets which is a DoD technical term for forces that haven't been managed very well because their demand consistently outstrips supply. And I think we're finally learning a

key lesson, which is that we cannot treat things like post-conflict reconstruction, like stability operations, as a lesser case of war-fighting.

These missions require additional capabilities, different kinds of capabilities above and beyond what we have for war-fighting. So how do we address this challenge of this mis-match? The first is that we need to shift our emphasis. We need to build up capabilities in certain high demand areas.

These include special operations, intelligence, linguists, civil affairs, MPs, engineers, medical, the list goes on. And we need to converge or cut in less relevant areas. Now the Army is taking some steps in this direction. They're converting, for example, some artillery brigades in the National Guard to new MP battalions.

But much more needs to be done in rebalancing the mix of forces. We also need to look at the whole question of

active versus reserve forces: what we have in the active force versus what we have in the reserve, move more of the high demand units into the active force, and rethink the missions of the reserves and the Guard in particular.

Do we want to refocus the Guard primarily on homeland security? Because these units are being particularly over-stretched and I think if Iraq is not just a spike in demand, but actually representative of a new steady state of demand, then we're going to have a situation where if we don't make some of these changes, we will break the force and we will endanger the all-volunteer force that has been so successful since the Vietnam era.

We also need to look at changes in the way the force is managed. Right now many Army units need five units to support one forward and the same is true for much of the Air Force. That's simply not a sustainable, effective ratio. We also have a practice of stripping people out of units that are not deploying to make deploying units

whole. Again, not something that we could sustain long-term.

So we need some new, smarter ways of managing the force as well. The second challenge I think is the need to accelerate and refocus transformation. Transformation has become the motherhood and apple pie issue of defense. Everyone's for it, no one's against it, but if you look at how dollars are actually being spent, there's been a profound change from the transformation that was launched in the Clinton administration to the transformation that's being pursued in the Bush administration, with much of the Bush administration's monies going into an accelerated deployment schedule for national missile defense.

I believe we need to refocus transformation on other higher priority areas like network centric warfare, the next generation of precision munitions, more mobile and lethal ground forces... unmanned systems and

capabilities for areas like counter-terrorism and counter-WND (ph.). We also need to pursue additional defense reform to free up resources for that transformation, getting rid of unneeded infrastructure, reducing unnecessary duplication between the services, bringing the Department of Defense into the new century business practices.

You know we have a model business system in the DoD; it just happens to be a 1960s model. We need to enter the 21st century. But the tough problem here is that all the low hanging fruit has been picked and there isn't a sense of crisis in Congress, I would argue, that would help people to step up to some of the hard choices and reform that need to be made.

Nor has this administration cultivated a real partnership with Congress, and that kind of partnership will be essential to move the reform agenda forward. The third challenge I would highlight is we need to do better at figuring out how to conduct truly inter-agency

operations using the military in concert with the rest of the instruments of our national power in a way that creates real unity of effort.

Iraq is the prime example of how not to do this. I think the failure to integrate all of the elements of our national power means that we're trying to win the peace in places like an Iraq and an Afghanistan with one arm tied behind our back. We have the military out there doing its very best, but we haven't been able to deploy rapidly adequate civilian capacity for the reconstruction task that need to be done.

So we need a more coherent inter-agency process for planning and executing these operations. We need to clarify agency roles and responsibilities and authorities. And we need to build greater civilian capacity, a real core of civilian professionals who are trained and expert and ready to deploy to conduct things like stability operations.

The fourth and final challenge I'll highlight is one that people don't talk openly about too much. It's a very sensitive issue, but I think it's critical, and it should be addressed, and that is the need to repair civil military relations, particularly in the Pentagon. I've witnessed many Secretaries of Defense, many chairmen, and I think we're at a real low point.

In this current environment military advice is not always sought on matters where the military has both expertise and a very real stake in the outcome. When it is sought, it's often discounted or scorned. Many officers have spoken to me of a shoot the messenger environment, where your career is on the line if you give advice or counsel that is not consistent with the views of the civilian leadership.

Now not only has this affected morale in the Pentagon, but more important I think it has a potentially dangerous impact on national security decision making. When a Secretary of Defense is making deployment

decisions, making decisions about putting American men and women in harm's way to advance American objectives, it's critical that he create an environment in which different professional opinions can be voiced and heard because lack of group think in our business is a very, very dangerous phenomenon.

So in sum, there are four key challenges as I see them: adapting the force to new missions, accelerating and rebalancing or refocusing transformation, enhancing our ability to use the military in concert with other instruments of national power and repairing civil/military relations.

In conclusion let me just quote something that Vice President then-nominee Dick Chaney said in a 2000 presidential campaign. He said, "A commander in chief leads the military built by those who came before him. There is very little that he and his Defense Secretary can do to improve the force that they have to deploy. It is all the work of the previous administration."

The Bush administration came into office disparaging the state of the US military but it has found in Afghanistan and Iraq that the military it had inherited from its predecessor, Bush I and Clinton, is in fact superb. This is a testament to the high quality of investment in people readiness, equipment, et cetera, that was made in earlier administrations.

It's a legacy that Democrats and the country should be proud of, and it's a legacy that I believe that we can build on for the future. Thank you. [APPLAUSE]

JL: Our next presenter is General Bernard E. Trainor.

BT: Thank you. I've been asked to look at the military, what it can do to smooth the way for diplomatic and political activities on the international scene, and I would say that the military in this country has probably been very effective in this area, probably more effective than the policy makers.

And I think that's true over the years for two reasons. The first reason is cultural. Military people, like doctors, consider their profession trans-national, and whether you're dealing with a friend or an enemy, there are certain fundamentals that go into the make up: the military psyche which makes it easy for you to deal with foreigners on a cultural sense because you have a common tie.

Now the second is organizational. The military is very good at organizations, making them work, even when under many circumstances one would think that failure was imbedded in the mission, but they some how seem to make it work. And of course the classic is NATO itself. It's been around for a very, very long time and it's been very effective for us, and it's a way that the United States has not only been able to communicate its interest but also to influence the action.

That's the most notable one, but there's so many other

things that have gone on and continue to go on to strengthen the influence that we have. UNITAS, which is the Navy trip around the Western Hemisphere, at this time the Navy anti-terrorist patrols are taking place down off Djibouti and that area.

The work that's being done in the Philippines and by the UN in Kosovo, the officer exchanges that take place between the militaries in the different nations, the schools that we attend and that foreign officers attend, the training that we provide, German Air Force gets most of its training here in the United States.

Training that we're doing with the former Warsaw Pact nations and even with the principle Warsaw Pact, the Russians, the ship visits that are taking place, we just had one with both Navy and Marines into China and shared activities on military R&D, these are just a few of the things, but you could see that organizationally and culturally there is interplay with with our allies and friends.

And that can be leveraged for our diplomatic and political purposes. And in fact it does. We used to call the theater commanders, commanders in chief, CINCS. Well with Mr. Rumsfeld in there we don't do that anymore. There's only one commander in chief, that's the President, so now we call them combatant commanders, but I think that's a misnomer.

They're much more than combatant commanders, they're pro-counsels. You take the theater commander in the Pacific, he just doesn't run the water, he runs all the water. He has more power than any ambassador because an ambassador's in a country. He's got the entire region. Enormously powerful, not only militarily, but politically and diplomatically.

About a year ago "The Washington Post" ran a series of articles which was splendid, explaining the power that these theater commanders have and continue to have. The theater commander right now in Iraq, the CINC, has

enormous power, he is a pro-counsel. Okay so you say we have all of these things that we can influence the action.

But is there something wrong? Yes there's something wrong, but it's not on the military level. And I think it echoes a little something that Michele had talked about and that's the organization within the government. The National Security Act of 1947 was established to fight what we might call a classic war, World War II and its follow-on, the Cold War, against the Soviet Union.

But the current organization does not take into account that the world has changed considerably since 1947 and indeed since 1983. There have been a lot of changes and a lot of new concerns, including homeland security and terrorism. And we're not structured to handle this very well on a policy basis, we're still in the stove-pipe mentality of thinking that in this block you have the State Department which does diplomatic stuff and in this block you have the military which does military stuff.

And in there the two shall cross. But the fact remains that the weak is bent over on that political and economic and agency side rather than on the military side and as a result of that, the military is doing the things that others should be doing by default and this needs a change. We do have to have better inter-agency integration and probably we have to entirely restructure of the Department of Defense and the National Security Act to take into account these other activities.

The military cannot be called upon to do windows, walls, floors and everything else. By default they're having to do it and I think they do very well. But to get an inter-agency group to act in concert without direction and without resources to do it, you're not going to get cooperation, and there's plenty of evidence to support that contention.

So we do need an entirely new approach which integrates the military and the other elements of national power,

and takes into account that we are no longer facing a 20th century type of war. We're in an entirely new situation of which the military will play a part, but it may turn out that it'll be a minor part. And with that I'll pass it on. [APPLAUSE]

JL: Thank you very much General. Our next speak will be James Steinberg.

JS: Thank you Congressman. My remarks very naturally fall in a sequence here with General Trainor's because I also want to talk about the way in which the world has changed and the role of intelligence, and how we need to rethink how we use and how we organize ourselves to deal with intelligence in this new world.

I don't think I need to spend a lot of time justifying why intelligence is so important. If you look at the two dominant strategic developments of the last couple of years, the 9/11 attacks and the war of Iraq, intelligence plays an extraordinarily central role.

There's been a huge debate and a continuing discussion about whether our intelligence system was up to dealing with the challenge of terrorism and particularly the attacks of 9/11.

And similarly there's been a great debate and an ongoing one about whether our intelligence system failed us in dealing with trying to assess the nature of the threat from Iraq. But both of them illustrate how important it is in this new world to have the intelligence system that provides us with the information we need to deal with new threats.

And this world is very different, as General Trainor has said, from the Cold War world. During the Cold War we knew who the adversary was, we had specific facts that we wanted to find out about his force deployments, specific intensions, capabilities and the like. But these are what Donald Rumsfeld likes to call the known unknowns. You kind of knew what the questions were, you knew where to look.

And it was just a question of trying to deal with the efforts that the adversary made to try to deny you that information. Pretty straightforward intelligence task, couldn't always get the answers but at least you knew what you needed to do. Today we're dealing with what Rumsfeld calls the unknown unknowns. We don't know precisely who the adversary is, the nature of the terrorist threat and some of the other kinds of challenges that we face are much more diffuse.

We don't know where they're located, we don't know the composition, we know very little about the intentions. We know limited amount about the capabilities, we know little about when and where they're likely to strike. And so we need to think very differently about the challenge, and we need to organize ourselves to recognize that the universe of information that we need is much wider than the information that we needed in the Cold War.

And the kinds of actors that we need to engage with to understand these threats are dramatically different. During the Cold War we were talking about basically a government apparatus. We had government intelligence collectors, both technical and human. They provided their information to government analysts who then provided it to military and diplomatic personnel.

Very much a closed system in which we had a system of classification, a system of clearances, a system of need-to-know, that defined a very tight universe. And we focused as much on trying to protect the information from disclosure as making sure that it got around to people who needed it.

But in the new threats we face today, the people who have the information that we need are as likely to be a cop on the beat or a private security guard or a public health official in the local hospital or even somebody working in a flight training school, as a CIA agent or and FBI agent.

Our partners are very much important to us because it's not just having our own assets to know this, but we need the support and help from people around the world, people who are often much closer to the nature of these challenges and the people who are, not only the people who are going to collect the information, but the people who are going to analyze it and then use it, are much more and much broader a community.

We talk about the intelligence community in the old days and we could define the center of 10 or 12 or 13 federal agencies and that was the intelligence community. Today the intelligence community is virtually everybody that you can think of at one point or at one time. And so we need to develop a new architecture and a new way of thinking about our intelligence system that recognizes that lots of people have information to bring to bear.

And the people we need to inform and to bring into the analytic questions are much more diffuse. That means we

need a much less top-down system, a much more decentralized system, a much greater willingness to share information, a change in the balance between secrecy and sharing so that even though we may have risks by providing information to local police or local fire officials or local public health officials or protectors of critical infrastructure, that it's better to get the information out than to try to keep it to ourselves and not have the important need to have it.

We also need to break down some of the old ways of thinking about how we deal with information. Our whole intelligence system is based on a very sharp division between foreign intelligence and domestic intelligence. There were good reasons for that during the Cold War and there were a lot of concerns because of the abuse of it, intelligence, in the '60s and early 1970s that led to a set of prophylactic provisions that basically said we're going to set up this sharp wall between domestic and foreign as a way to protect civil liberties and a way to protect the interest of our citizens.

But today that distinction makes no sense. How do we know in the face of an attack on a building or a cyber attack whether it's foreign or domestic? And even now as actors recognize the permeability of our borders, that distinction isn't going to work. We can't allow these barriers to prevent the kind of cooperation that we need.

And so we're going to have to rethink and essentially erase those distinctions. And similarly we're going to have to rethink the way we think about the relationship between intelligence and law enforcement. Because of this division between foreign and domestic intelligence, we pretty much vested all of our domestic intelligence capability in our national law enforcement agency, the FBI.

The FBI is a good law enforcement agency, but it's not a good intelligence agency because it has a very different mission than law enforcement which is to catch the bad

guys after they've done something and to bring a case and to prosecute them. And now in the world that we're in today we have to focus on prevention and strategies that may not lead to a conviction.

We can't take the risk of waiting to see if somebody's going to actually commit a prosecutable act before we intervene, and so we need a debate about how we deal with domestic security in this country and there are a number of proposals out there. And I think the time has come to recognize that we have to take the problem of domestic security and intelligence seriously, and not try to craft it onto an old system that was designed for very different purposes.

In that we recognize that we have serious civil liberties issues, we ought to address them directly and not by hampering our ability to collect, use and disseminate the kind of intelligence we need to deal with these new threats. And the final dimension that we have to deal with is the better integration of our

intelligence with our policy making process.

I think what we've seen over the last two years is serious questions about how those two systems work together and whether we have on the one hand a system that protects the integrity of the intelligence collection and analysis process, but also make sure that it's linked closely enough to the policy making process that the insights and the judgments of the intelligence community can actually affect the judgments that the policy makers make.

If the policy makers don't have a willingness to engage with the intelligence community, we're going to see the kinds of problems that we've seen in Iraq of conclusions that are designed not to reflect the information that we have, but to try to drive the intelligence community to provide answers to questions when the answers are thought to already be known.

This means we have to take on a big set of changes, new

changes. There's a lot resistance to big change, but as the General has said, we're in a new world, the principles and the organization that we developed in 1947 to deal with the Cold War simply don't apply to the current circumstances. And so it is going to take some boldness and breaking some crockery to really begin to develop the kinds of systems that we need to deal with these new challenges. [APPLAUSE]

JL: Thank you Jim, our final panelist is Mr. Rand Beers.

RB: Thank you very much. Given the topic of defining ineffective terrorist, counter-terrorist agenda, I thought I'd better search for some inspiration for this topic in this timeframe. And I think I'd like to start with the fifth question in Rumsfeld's memo to his staff. "Does the US need to fashion a broad, integrated plan to stop the next generation of terrorists?"

The US is putting relatively little effort into a long-

range plan. We're putting a great deal of effort in trying to stop terrorists. The cross benefit ratio is against us. Our cost is billions against the terrorist's cost in millions. I think that in many ways sums up the challenge that we face.

And while I certainly can't lay out a full strategy in all the detail that's necessary, what I'd like to do in the time remaining is talk about five principles and seven strategic elements for how to think about the war on terrorism. The first is that this is clearly a long-term effort, that there are no silver bullets and that neither an offensive nor a defensive strategy alone is going to deal with this.

If we recognize that it's long-term then some other requirements automatically fall out. Secondly it will be absolutely essential to maintain public support for this effort over this long-term in the same way that it was necessary to maintain support for the Cold War effort during the period from the Second World War to

the collapse of Communism.

Thirdly it is going to require the building of some institutions to sustain this effort so that it is not entirely dependent upon one administration or one individual thinker. And that's going to mean institutions such as the Center for American Progress and others who will keep the debate alive and keep the intellectual development of the issues very much in the forefront for the American public.

But it will also require some much more detailed things. For example, an ability to train people to speak the languages that are necessary to deal with the issues surrounding the countries from which terrorists are coming. A recent report on public diplomacy indicated the great lack of Arab speakers within the State Department.

This is true in the intelligence community and in the military as well and it's going to be something that

we're going to have to think about. Fourthly, this has to be an inclusive strategy. It cannot be one agency, it has to be inter-agency. It cannot be one country, it has to be international and it has to be multi-lateral.

It really requires thinking in the terms that spawned UN Security Council Resolution 1373 where the largest coalition of countries ever in the world was assembled to go after Al Qaeda and the Taliban. We've lost that, we need to come back to that kind of a framework if we can have some chance of winning.

And finally we have to bear in mind that this is not a crusade, this is not a religious war and we have to say that and we have to mean that on a regular basis. It may not in fact even be a war as some have said here before, but it certainly can't become a struggle against Islam. I think that's where I would start the seven areas that I think that we're going to have to look at. First, to neutralize the Al Qaeda leadership, to disrupt their operations and dismantle the organization.

But it won't only be Al Qaeda. There will be other organizations. We still have to deal with them, we still have to do what we can to make these organizations and their leaders less effective. This is one of the areas in which the Bush administration has been strong, but it's also important to remember that as successful as you are in this strategy, if it is the only strategy, what you end up doing is disbursing the elements of this struggle in the same way that an effective strike against the Medine or the Callie Cartels in Columbia by the United States and the government of Columbia did not end drug trafficking, it only disbursed it, and the traffickers are still making large profits around the world.

Secondly, I think that it's important to look at denying sanctuaries where terrorists can operate beyond the shadow of the law, beyond the shadow of governments. The efforts in Afghanistan and Iraq where military operations have been successfully executed don't end

that process. It really does require, as previous panelists have spoken, to follow on with the stabilization operations that are necessary to leave the country in a form in which the country is governing itself and it doesn't require US or international military force there indefinitely.

Thirdly, I think we have to focus on the issue of terrorist financing. I break that out as a special issue because it's particularly difficult, but I also break it out because we have an effective framework that people have set up around the world in terms of dealing with banking systems and international transfer.

But it does require implementation and it does require a lot of difficult work on the part of countries and international institutions to make it work effectively. Fourth, I think we have to look at the intelligence system. I think Jim Steinberg has just spoken very effectively about the issues that are relevant there, but unless we do this, we will continue to have blind

spots that will leave us vulnerable. Not us, but the world as a whole.

And I think that that means both looking at it domestically but also in ways in which it's necessary to cooperate with other international intelligence and law enforcement organizations because, as Jim said, it's not just foreign intelligence, it's also domestic intelligence.

Fifthly, I think we have to look at the sources of recruitment. It's interesting that if you look at the 11 questions that Rumsfeld asked in his memorandum, in addition to the one that I wrote, there are three others which go to this very question. They are the questions that refer to the madrasas, but that's not the only source of terrorist recruitment.

But we're doing nothing in effect to deal with this issue and it's going to have to be something that we're going to have to spend some time and effort on. There

are two obvious areas where progress could be made but neither of them are simple. Concluding peace in the Middle East and resolving the issue in Iraq will obviously reduce recruitment posters for Al Qaeda and other terrorist organizations.

And they are issues which we must attend to, and we must understand the implications of them for terrorist recruitment. But we also need to look very much at how we can bridge cultural gaps to the people who got to madrasas to the people in the Islamic world who are the sources of recruitment for Al Qaeda and other terrorist organizations, and find ways to take down the barriers that have grown up between our selves and them so that it does not become a religious struggle.

Sixthly, and we just had a panel on homeland security, I think that this is an absolutely critical element on the defensive side, and it's something that we have not spent any time on. The point that was made earlier that we don't really have a national threat assessment or a

national capabilities assessment which are the bedrock starting points for any development of any strategic element in this overall effort, are absolutely true.

And it is absolutely critical that we find a way to get those, to get them quickly so that we begin to talk about how much money is enough. So that we begin to talk about what the management requirements are, and so that we can begin to talk about what the programmatic elements ought to be in this effort.

And finally, I think as Juliette Kayyem in the last panel mentioned, we have to look at the issue of civil liberties. This is a critical area in this overall struggle because we cannot forfeit the values that are the bedrock of America in pursuit of the terrorists who threaten our basic institutions.

It may not be very good but you degrade it. How would you tackle that problem if you're going to make the big changes you're talking about?

JS: Dick, it's obviously a big challenge and it's why we end up never making any changes because there's always a worry that given the urgency that we face now in terms of the threat, that any moves that we make will have somehow distract us from dealing with the problem. What I think that we have to recognize as a number of people have said, that we're in this for the long haul.

And that we are just crippling ourselves for the long haul if we don't make those changes. There are going to be some risks of moves, we need to think about what the priorities are in those moves as we make them. A lot of it is a question of changing the incentives of the players in the system.

And so for example when we think about domestic security, we have a number of people who have skills and talent. The question is who are they reporting, what are the incentives that they're creating and how can we create the institutional changes that will make a

difference? For example, today the administration is a joint intelligence fusion center for terrorism called the terrorist Threat Integration Center.

It's located in Langley, and it's sort of a joint venture between the CIA and the FBI although it involves other agencies. The problem with it is that because of bureaucratic and institutional barriers people come and sit together and talk about things, but they still report back to their original agencies, their hiring, their promotion, and all their sort of cultural incentives are there.

So if we're going to take these steps, let's take them meaningfully. Let's take these people out of their existing culture and create a new culture where there is a sense of sharing, there's a sense in which each agency that collects intelligence is not going to protect stuff cause its primary concern is to protect its sources and methods.

And the second thing that has to happen, and it's been hotly debated, is there needs to be somebody who has ownership of this system. We need a true director of national intelligence, we've been debating this since the 1847 Act. But we need somebody who has responsibility throughout the system, who can see over the differences between the domestic and foreign.

Who can bridge the gaps and the seams that we have now? I think in making those basic changes, we begin to change the incentives in the system. Over time broader changes will need to take place. But we came as close as we're going to come to a catastrophe in 9/11. If we continue to wait and make the kind of incremental changes that we're going to make now, we're just increasing the chance that we're going to have another one.

And so I think that what we need to do is begin to build with the key changes of incentives in the system, and over time make broader changes. There's a big debate,

for example, about whether and to what extent we should solve the commendrum of the relationship between the military intelligence agencies and the now-Director of Central Intelligence.

That's a big problem we do need to address over time, but that would not be at the top of my priorities right now. I think the main thing we have to do is to think about those key changes we need to make to deal with the new threats and those require some movement. They're not necessarily large institutional changes, but by setting up a different set of incentives and people who are accountable and responsible for thinking about these new problems, I think we can begin to make the movement that we need.

JL: Excuse me there are several people on this side of the room. Richard has a question right here.

Richard Leone: I think this is the perfect panel to ask this question of, though it's been implicit in a lot of

the things that have been said. I guess I'd refer to the old expression when you have a great hammer everything starts looking like a nail. We have a great military, great Army and we are attempting to adapt that to a mission that has emerged in many ways may not be a mission very well suited for an army.

But I wonder, in terms of being forward looking, what changes we need to make in the training, structure, leadership if we want to have a military that is the kind of instrument we think we need because there may not be an alternative instrument for the kind of battle we're engaged in.

BT: Yeah that's a good question and it's an oft asked question. It was asked a lot after the wall came down in Berlin. Well we don't know what the future is, I mean 20 years ago we were oriented towards classical military operations, you know, tank battles and all that sort of stuff.

Well that's changed, but now we could also take the Afghan mantle and say, well, everything in the future's going to be like Afghanistan and we need small operational groups in there. Or somebody will take a page out of the current Iraq situation and say, well, it's going to be kind of a urban guerilla warfare situation.

The fact is that we really don't know and we have not been very good in our history in predicting what the next war is going to look like. I've always taken the position, and I think it's valid sort of position, that you look across the spectrum of possibilities.

And you gear yourself for those, and you maintain a surge capability within your resources, broadly described, to surge when one of the possibilities becomes either a probability or an actuality. Therefore, you don't get rid of all of your tanks and you don't get rid of all your special operation forces, but you try to meld so that you have a basic capability

across that spectrum with a certain surge capability and in many respects the Guard and Reserve can provide that surge capability.

But if we're looking forward right now in terms of what is the reality, the reality that we're facing right now is an urban guerilla type warfare and we have to adjust to that. Now whether that adjustment is going to be long-standing depends I think on the outcome. If we are very successful in taking care of the problem that currently exists in the say Sunni triangle, then the need for that sort of capability will diminish.

On the other hand if it turns out that this is a long slog to use the Secretary's term or that we find out that we are at a disadvantage at the very end, then we have to rethink in terms of not only of our structure and organization and distribution but also our very concepts of operation.

JL: Miss Flournoy.

MF: I would give you two answers to your question, that from a naturally military perspective I think that bump stickers need to move from interoperability among services to real true interdependence among services so that when the Army tries to send a task force of 24 helicopters to Kosovo, it doesn't need over 500 C-17's worth of stuff to go with it.

But it can depend on the Air Force and the Navy and the Marines to provide other forms of support that it doesn't have to provide itself. That, when we move finally to that (unint.) of dependence, that's going to give us much more flexibility to meet the kind of challenges we're facing in the future.

But I think there's a broader point here. You talked about if you have a good hammer, everything looks like a nail. I think we have to diversify our tool box, I don't think the answer in an era of national security crisis is necessarily just throwing money at the

military.

And I'll give you one example, I mean when I think about my list of things for to deal with terrorism, an eighth candidate I would nominate is really trying... taking aggressive measures to keep weapons of mass destruction out of the hands of terrorists. Now that's the... the military instrument is not the best instrument to use to do that.

But there are threat reduction programs for securing loose materials, nuclear weapons, biochemicals, and so forth that we really need to be pursuing on a much more urgent and widespread basis. So we need to start thinking about national security spending in much more holistic terms that don’t just equate national security spending with pumping up the military, but look to diversify our tools and really match tools to problems rather than trying to make everything look like a nail.

MS: My apologies, we've been give a note from on high

that says we'd like to finish by

RB: To just speak up on what Michele said, think about the issue of peace keeping and stability operations and ask yourself, we have a requirement for police, we have a requirement for governance and we have a requirement for economic policy. Do we want to give those missions the training of police, the creation of civil administration and justice systems and the ability to create new economic opportunities in failed states to the military as a mission?

Or do we want to establish a different group of people, maybe in a different agency that will be responsible for that and recognize that just like the military, they will not be engaged in active operations every day. They will spend a lot of their lives actually training.

JL: A very tall hand is back here.

Q: During the last few months on national security

issues, we've begun to see the re-emergence of the Democratic wing of the Democratic Party. To Congressman Leach, will we be able to see the re-emergence of the Republican wing of the Republican Party in the future? [APPLAUSE]

JL: Well first let me just stress, we are confronted as never before with real American dilemmas that have nothing to do with the political parties. Now the political parties are the manner in which we define leadership. But whether or not we've made the right set of decisions in intervening in Iraq, and I happened to have voted against this.

I will tell you we're now in the position of trying to say how do you proceed from here in the most coordinated, collected way possible that has nothing to do with Republican wings and Democratic wings. In primaries this gets emphasized as we look at elections we see differences in parties. But I think that anyone that looks at this as anything more than an American

dilemma makes a mistake.

Now it is true that there is a conservative versus moderate wing in the Republic Party. There's a liberal versus moderate wing in the Democratic Party. Of the 10 wings in American national politics, the way the structure now works is the conservative wing is the pre-eminent wing of the Republican side, the liberal wing's the predominant wing in the Democratic side.

And so philosophically there's a lot of differences here and on the other hand in foreign policy it's not always clear-cut that these wingisms apply. I mean, because you can have a liberal and a conservative concur if you look at the votes in the United States Congress. Clearly there's support from the very strong liberal side of the Democratic side for what the President is doing.

And so I think we've got to get out of that exact bind in terms of looking at elections. I would add just one

minor thing because it was part of the prior question, I am really impressed with the professional wing of the United States military. There is no more trained group of people in America today and if you ask for a way that's restrained in foreign policy, it could well be the professional military in contrast with civilian leadership.

And I take that over the last 30 years under Democratic and Republican leadership, the military has been absolutely contrary to the intuitions of the American people, much more restrained then the civilian leaders. And that's a very interesting phenomenon that I think we ought to examine.

Let me go, we'll go one more question, let's go to a lady who has her hand up please.

Q: Thank you, all the panelists today and yesterday have talked about some our priorities and the tools we have, and talked about the military being relied on too much,

intelligence should be better for diplomacy. I mean, why didn't we know the French were going to do what they did?

It's maybe as important as knowing where the weapons of mass destruction were and as the head of INR which was the only part of the intelligence community that seemed to have gotten it right. Jim Steinberg also worked there. I'm very much proud of the people who were not part of group think. So I think it's important to have that recognized too.

Why don't we have the State Department put in charge of reconstruction or at least of some of the money? Why is the Dov Zakheim [Undersecretary of Defense] in charge of auditing how the Defense Department spends it? In other words, is there something we can do now or do we have to live through what we're going through with the old rules and only put out papers which tell us at some future maybe it'll be better? [APPLAUSE]

JL: Does anyone want to answer that?

MF: It's a very good question and I think at this late date it is very difficult to make major course corrections that will have effects on the time scale that we need them. But that said, I still think the mission is under resourced. We don't have enough capability there, military and civilian, to provide the security foundation on which reconstruction can proceed and to expedite reconstruction on the kind of time lines we need to.

There’s a window of opportunity, some people talk about a window of opportunity, a tipping point. But there's a limited period of time that the Iraqi people are going to support us or at least stay on the sidelines. At some point you'll go from having the jihadists and the Saddam supporters you know launching their attacks to actually having popular support and discontent.

Having said that, I have a personal belief that all of

the logic in this town is you want to slog through and show that you've got longevity and stamina and that logic is really truly open to review, in my judgment. I think if you set a policy of a precise time table for disengagement that is the only way to avoid being "pushed out" from the perspective of others because it looks right now as if all the trends are towards terrorism, all the trends are towards more popular discontent rather than more popular support.

If you thought the reverse you would say, slog 'til the nth degree. My own sense is that if we announced the mission would largely be accomplished by late next summer, announce a time table withdrawal, announce we have no interest in forming military bases in Iraq, no interest in control of the patrimony of Iraqi oil, move towards internationalization on the civilian side immediately and on the security side by late next summer, you then can say that America accomplished the disengagement of Saddam, the rebuilding of Iraq.

And we're committing and the Congress has voted $87 billion, $20 of which is for civilian assistance. That is rather substantial in that size economy. And you know up front that assistance, you then have a circumstance that you de-Americanize the dilemma and place a great deal of burden on the Iraqis to come together in their own processes.

Now the downside is that's a short period of time. The question though is if you take a longer period of time, does the situation get worse or better? And based upon the last three to four months of clear indications of direction, I would say it's going to get worse and therefore the abbreviated time period, the announcement in advance of the time table strikes me as the bold new imitative that this government ought to be considering at this time.

Now that is absolutely contrary to group think and frankly a lot of the thoughtful critics of this policy are looking for a longer timeframe. I think the shorter

the better. I apologize, we're under instructions from note givers to me of whom I do not know who they are, but I'm told they have great authority.

And so let me thank our four panelists, we really have brought together.

BT: I just want to go on record to say that I respectfully disagree with the Congressman on this issue.

JL: General that's appreciated and I assume it's probably four to one up here with you in the majority. So I have expressed a perspective that's a little bit different. In any regard, thank you all very much and thank you for coming. [APPLAUSE]

END OF TAPE