

**CARNEGIE ENDOWMENT  
FOR INTERNATIONAL PEACE**

**THE 2007 CARNEGIE JUNIOR FELLOWS CONFERENCE**

**IS U.S. PRIMACY FADING?  
SEARCHING FOR ANSWERS AT HOME AND ABROAD**

**9:00 – 9:45 A.M.**

**KEYNOTE ADDRESS: IS U.S. PRIMACY FADING?**

**AMBASSADOR ROBERT HUNTER  
U.S. PERMANENT REPRESENTATIVE TO NATO, 1993-97  
SENIOR ADVISOR, RAND CORPORATION**

**OPENING REMARKS  
BY  
JESSICA T. MATHEWS  
PRESIDENT, CARNEGIE ENDOWMENT**

*Transcript by:  
Federal News Service  
Washington, D.C.*

MICHAEL GROSACK: Good morning everyone. If I could have your attention, we'd like to get started. Welcome to the 2007 Junior Fellows Conference here at the Carnegie Endowment for International Peace. My name is Michael Grosack. I'm a junior fellow in the Democracy and Rule of Law project here at the Endowment. With me today are five other junior fellows: Amy Reed, William Talbot, Anirudh Suri, Nathanael Stice, and Oriana Mastro. We'll be guiding you through the day. And we'll be here to help you with any questions or concerns you might have, so don't hesitate to ask if you do have such concerns.

This conference is Carnegie President Jessica Mathews' brain child and it's fitting that every year she opens it. It certainly wouldn't be possible without her. With a career that has placed her in the executive and legislative branches of government, as an editorial board member and columnist for *The Washington Post*, as the co-founder of the World Resource Institute, and now as president of the Carnegie Endowment, Dr. Mathews not only has a respected voice in the foreign policy world; she's also a firm believer in the necessity of looking to the future in making decisions today.

Last year's conference was our inaugural year and with this year's conference, Dr. Mathews' brain child is now an institution. And with that said, it is my pleasure to introduce Jessica Mathews. (Applause.)

JESSICA MATHEWS: Thank you. I – is this thing on? Yeah? I want to welcome all of you here. I spent some time last night looking at the list of names and organizations that you represent. I know, as some of you probably do, that this was a very competitive selection process to come. I think it represents some of Washington's – and more than Washington's – great talent. And I hope that you will find today of enormous value to you in the people you meet as well as the people you hear from up here.

I just would like to say something fairly personal about why I think this is such an important gathering. I think that for those of you who stay in the field of international affairs, international relations, from one sector or another, you all are going to face really extraordinary challenges in the problems that you're going to be dealing with for two reasons.

One is that we are all the product of the decade of our first sort of professional decades. And for you all, this has been – this last 10 years has been extraordinary because we had first this period after the end of the Cold War of great kind of murkiness, feeling around for what followed the Cold War. On September 10<sup>th</sup>, 2001, we were still debating what to call this post-Cold War era; nobody had a better idea than post-Cold War, that is, what it wasn't, but nobody was clear as to what it was.

And so that period of great amorphousness was followed by a period since September 11<sup>th</sup> that represents, in my personal view, a radical departure from the path and the areas of broad consensus of foreign policy followed by both Democratic and Republican parties for over half a century. I think we are – if you think of it as a spike – we’re down on the tail of that spike and coming back to that path. But when you think about that decade, that’s a hard one to start with as a formative period and one that I think you’re going to look back in 20, 30 years and see how that strange period has shaped so much of your thinking.

The second reason, of course, is that these next 10 years are going to be very much shaped by digging out of the hole that has been dug in Iraq – and Afghanistan, to a lesser extent, but in Iraq – and the very broad consequences of the war, which we have only just barely begun to see. I’m only here to make two minutes and really to introduce your keynote speaker, so I won’t go into what all those are. But I do believe we are only aware of the tip of the iceberg.

And so I think of the careers that all of you are going to have. This is a very strange and tough and challenging beginning and it’s going to be a very challenging follow-on period to bring the United States back to a position where it can exercise leadership in a world that desperately needs it on a whole set of both some very familiar events and very new problems. This is going to be an enormous challenge. So I hope that this day, in a small way, will contribute to your thinking and your interest and commitment to this field.

My own experience has told me that no amount of study can ever tell you how a particular sector works in the same way that working inside it does. I’ll say that more strongly: you can never understand how either Congress works or the executive branch works or the private sector works or even universities and think tanks work until you’ve been inside.

And our speaker this morning is one who brings knowledge of foreign policy that is not only extraordinarily broad substantively, but extraordinarily broad from the number of positions from which he has played an important role in decision making. On Capitol Hill, as senior foreign policy advisor to Senator Ted Kennedy; in the White House, both in the domestic arena and on foreign policy in the Johnson Administration first and then when he and I were colleagues in the Carter Administration on the National Security Council staff, Bob was the senior director for Western European Affairs and later for Middle East Affairs. He served on the Clinton Administration on the Defense Policy Board and as U.S. Ambassador to NATO.

He has seen in particular depth U.S.-European relations, Middle East issues, defense policy issues, from all these viewpoints: the legislative, the administration executive branch, the viewpoint of NATO as an international institution. He has seen the U.S. through the eyes of Europeans, which is very much the theme today of understanding how we are seen by others abroad. He really kind of covers the whole

territory and he's done it throughout his career with tremendous insight, wit, clarity, and, as I said, breadth.

So I think we could have not really done better, Bob, in finding a keynote speaker for today and so I hope you'll join me in welcoming Ambassador Robert Hunter. (Applause.)

AMBASSADOR ROBERT HUNTER: Wow. After that, I can't wait to hear what I have to say.

MS. MATHEWS: I forgot to ask everybody to turn off their cell phones.

AMBASSADOR HUNTER: That's something new. Well, I can't wait to hear what I have to say after that. I recall what the late great secretary general of NATO, Manfred Wörner, would have said about such a wonderful introduction: my father would have been pleased, my mother would have believed it. (Laughter.)

But it's an honor to be here at the Carnegie endowment, the premier think tank in this town, which means in the United States, and with one of the truly great leaders in American policy, and I didn't just say foreign policy, the things we have to do as a nation in order to cope in the future. You can't find anybody who has done more than Jessica Mathews. Over a period of time that I will not even comment, just to say that she's just come up on 10 years of running the Carnegie Endowment and is progressing with a new vision and, in fact, I think there's a nice slogan here which illustrates what she's done here: pioneering the global think tank – not just one here in the United States, but one that has a reach to all the critical issues around the world.

Now, as she indicated, we used to work together in the past. Now, what did she work – I worked on the big issues, what did she work on? Nuclear proliferation, conventional arms sales, chemical and biological warfare, and human rights. Where would anybody 30 years ago have thought those issues were important? Today, it is absolutely the center of what we have to do to shape the world and Jessica was – I didn't say 30 years, did I? A number of years ago, when she was in high school, younger than you were, she was doing this.

And so it's an honor for me to be here with a great friend, but a great leader of the United States. Now, we always have to, when you stand up in the pulpit like this, you've got to have a text. So I've got a text here to explain how we – this is about the Iraq War and I think in terms of the sociology of it, this didn't just spring out of the minds of a handful of people full-blown, but it came out of the following. I found this text, it's by a guy named – you've never heard of him – named Walter Millis (sp).

He said, during the whole of the preceding three years, the faithful powder train had been laid; the grains compounded of our new nationalistic pride, of our restlessness, of our self confidence, of our aggressiveness, and our celebrated humanitarianism, have been slowly heaped together; whether consciously or unconsciously, they had one by one

been assembled by the patriots and the politicians, by personal ambition and partisan rivalries, by the men and women who talked war on Capitol Hill because it was politic and the people who had printed inflammatory sensations because they were lucrative.

That's a pretty good description. Oh, I'm sorry – wrong date, wrong war. It's about the Spanish-American War in 1898. We've been here before.

Well, it's fantastic to be here with you folks because – you've heard this before every time you graduated – you are the future. But you're the future in a way that Jessica's already said because you don't come into a world where you receive from the greybeards all of the things that you're supposed to learn. When we got involved in this business, it was during a thing called the Cold War. And the Cold War had a long bumper sticker that kind of described it all: Contain the Soviet Union, its allies and its acolytes, confound communism, and lead a growing global economy. That was it.

Now, we had a lot of stuff and we kept employed and all this kind of thing, but you always repair to these three ideas; you had to get those right. Well, in fact, they were so compelling as a method of thought, I don't know anybody – maybe Jessica's the exception – who knew anything about the world who predicted the end of the Cold War. It was an unthinkable thought. I know some people who knew nothing who predicted it, but they didn't have any institutional or psychological involvement in it.

I was in a meeting of the great and the good one morning in 1989 and we were talking about Central Europe. Well, what's going to happen? We thought about all kinds of things. One thing nobody even suggested might possibly happen was the opening of the Berlin Wall. And we were right. For four hours. (Laughter.) There you are.

Well, today, you don't have a paradigm like I just mentioned, except maybe lead a growing global economy. The others are gone. Communism is gone at least in Europe, except for that pesky little island down in Cuba and that semi-madman who's in North Korea. The Soviet Union is gone; the most profound retreat of any country or empire in all of peacetime history, nothing to compare with the collapse of the Soviet internal and external empires.

And let me give you something now: there is going to be a paradigm gap. There is no central idea or theme that's going to bring it all together. It's not terrorism. As important as that is to us – and to a degree, to others – it is – shall we call it an epiphenomenon, a tactic, whatever it is, something you have to deal with. But there is no Soviet Russia or Communist China that's sponsoring it with great military might. And frankly, there's not a unifying ideology like communism. Maybe one percent of people in a great religion called Islam, and that is it; still a problem, but not a unifying paradigm.

But this actually makes it a more normal time. The Cold War was abnormal in having two countries dominating at matters and having a great ideology that split the world. Normal time.

But Jessica's already said we went through a period of time in which we really didn't know what we were doing. And we went through a time – let's face it – in the last three or four years – four years now – which has been extremely difficult for the United States at home and abroad. And I regret to say that U.S. standing in the outside world is now the lowest it has been – though it's beginning to recover – the lowest it has been since the abolition of slavery 160 years ago.

Nothing like it in part because people expect better of us; they take to a great extent our self definition of what Governor Winthrop said as he was coming to Massachusetts Bay that we had to be a city on the hill. I know that may sound exceptionalist, arrogant, and self-indulgent, but an awful lot of people in the outside world wish us to play that role and continue to play that role. And one reason we're in trouble is because some of them, I think correctly, think we are not.

Well, we are beginning to refashion for the new world, and it's about time. The good news: there's going to be a new team in 2009. Republican or Democratic probably won't make that much difference, though I have a preference. I think you probably already detected what the preference is. But there's going to be a new team and new attitudes, but, as we will see, not a decisive break from the past because there is always more continuity than change. And Iraq, unfortunately, is going to be an area where the chances for a decisive break from the past are not as good as they were.

But we are beginning to move in the right direction. As Winston Churchill said about us a few decades ago, the United States can always be relied upon to do the right thing – after it's tried everything else. (Laughter.)

Well, what we do at home and what we do abroad are inseparable. And here is what we're going to have to work on. And I think the rough time we've had and where we're moving today stands behind the topic of today's seminar. But how did we get here? How did we get to a position from 1989, 1991, the end of the Cold War to where we are today of internal and external challenge and wonderment about whether the United States will get it right?

We emerged from the Cold War first with no enemies. I'm going to exaggerate a little bit. For the first time since before Pearl Harbor, there was no country both ready and able to attack the United States from abroad – first time. The Soviet Union still existed for two years and then went out of business, still has its nuclear weapons – something that if I were doing nonproliferation full time, the number one requirement is to get control over Russian fissile materials, which we have done inadequately – if I were a terrorist, I'd go to a bazaar somewhere in darkest Russia rather than trying to build those centrifuges – but we found that nobody was trying to get at us, so we had regained the sanctity of the two broad oceans, on top of which we had then a staggering amount of insipient power – watch my adjective: insipient power.

Militarily, the United States today on military affairs spends more than all the rest of the world combined; it's about 53, 54 percent of all the world's spending on military

affairs. That should give you an incredible amount of strength, incredible amount of ability to do things – should do that, should do that.

Economically, yes, we've got the rise of China; we have a gross dependence upon China. In fact, we now live in a world in which we are all tourists of a kind in which our most important tourist attraction abroad is the Great (Wal-Mart ?) of China. You ever try to buy anything in this country anymore that's not made in China? The inter-dependence there is fantastic. They're coming along. The European Union, 500 million people, has a gross product, about 80 percent of ours, but they don't have the kind of coherence we do. Our economy still very much number one and likely to remain that way for quite some time in many regards.

Politically, there's nobody who has the reach and thrust of the United States nor the expectations of others about what we will do, whether friend or foe. And yes, culturally, coming out of the Cold War – I'm using culturally in the broadest definition – we are the society still where students would most like to come to the United States if they can get visas. We are the country that has to build barriers to keep people out rather than the Communists to keep them in. This is the place to which people come if they still want opportunity. Yes, there are other places, but still no place more than the United States. And frankly, American culture is prized around the world by our enemies as much as our friends. If you were to go to Tehran and you were to buy a CD, it would be by an American, not by somebody from some other country.

Now, this meant we came out of the Cold War with more insipient power – put it all together – than any nation or empire had had since at least the collapse of the Roman empire. Watch my adjective: insipient.

This also – first it begged the question of what are you going to do with all this insipient power? And how do you do the necessary turning of that into lasting influence? Power without influence – unless you're going to go out and invade countries all over the world – is (nuggetory ?). Influence – and the first lesson, of course, was that superpowers come in pairs, meaning that even though we had all this insipient power, without a consuming threat out there which would rally others to our flag, as happened in the Cold War – you can lead an ally to water, but you can't make him drink, as we have found.

We had a president who did an extraordinary thing in terms of proclaiming a Europe whole and free, George H.W. Bush, an amazing goal and an amazing achievement in the last decade. But he also talked about creating a New World Order – an oxymoron at any time, and certainly in our time and one that got either a (hoarse ?) laugh or boredom on the part of other people.

Well, what did we do in the 1990s? Yes, we wrapped up the Cold War. President George H.W. Bush did a fantastic job; Bill Clinton picked up on it effectively. Bipartisanship, American foreign policy really works when it's bipartisan; if it's not bipartisan, it tends to fail. A lot was done in Europe, breathtaking developments both in

the Cold War and afterwards; in most of Europe, the abolition of war as an instrument of relations between countries, coming after the most destructive war in all – destructive century in all of human history.

But we didn't do a lot of other things. But we learned one lesson: The United States, despite the fact we'd won this war supposedly, that we didn't have real enemies, that we found that we could not become either isolated or insulated. We are now engaged in the outside world whether we like it or not; we have no choice. Whether we are going to lead, whether we're going to do other things, whether we should have primacy, is another question entirely.

But we also did some other things. Except for places like this, we also disarmed ourselves in strategic thinking. We haven't done collectively in this country any real strategic thinking since mid-way through the Cold War. We didn't need it. Well, by gosh, we need it now. And that's you, that's Jessica, and that is all together too few people in this town and elsewhere.

We also, between the two 9/11s – oh, two 9/11s – the Europeans write their dates backwards. The first 9/11, November the 9<sup>th</sup>, 1989 – 11/9, 9/11 – the opening of the Berlin Wall, until our 9/11 here and in New York. We took essentially a holiday from history as the United States. Some people even thought history had come to an end – that guy's still writing books, don't ask me why they get published, that's another matter – (laughter) – he's not one of yours. He used to work at my place – (chuckles) – so that give you a comparison of the Rand Corporation.

I think we had a lot of lost opportunities with both power and influence. And then we had 9/11/2001. This didn't change the world, but it did change our view of it. This was probably the most heavily leveraged military action in all of history, at least since Pizarro and 26 other Spaniards destroyed the Inca Empire in a single afternoon. It collapsed any distinction we might have between foreign and domestic policy; Department of Homeland Security is just as much about foreign policy as it is about domestic. And we have been challenged as much domestically as we are being challenged abroad.

Now, there's some good news and bad news. One of the good news things is we have learned more about Islam in the last five years than we ever had before. We have not put Muslims in concentration camps the way we did with the Japanese in 1942. There is a recognition in this country that someone who is a Muslim is just like anybody else in terms of being an American and that we are not going to go down that road.

We have done a lot of hyping of terrorism in an effort by some people to make that a substitute paradigm and to use it as a shelter for a lot of other negative things, not like Roosevelt, the only thing we have to fear is fear itself, but the precise opposite. That's bad.

We have done some injuries to ourselves in terms of civil liberties: the gravest challenge to American civil liberties at least since McCarthy, and maybe even longer. But we're beginning to come out of that. The role of the media: extending to the failure of debate prior to the Iraq War and let us hope we do not repeat that now of a failure of debate before the decision are taken of whether there will be a war on Iran, still possible. That's bad news. But fortunately, as so often happens in this slumbering giant of a country, people are waking up again. Waking up again, the new debate has begun, and you're part of it.

But after the attack on the World Trade Center, we had the full support of the world. The next day, our good friends the French in *Le Monde*, the headlines said – (speaks in French) – “We're all Americans,” all Americans. We have in Afghanistan today, in the NATO-led international security assistance force, all 26 NATO allies with troops on the ground, all of them, including Iceland which doesn't even have any military forces, sent a doctor with two nurses, 11 other countries because of a recognition that the United States was attacked on 2001 by terrorists and it wasn't just the compassion for us; it was a recognition that if they didn't stand with us in our hour of need, would we stand with them in their hour of need in the future?

Polish ambassador to NATO last year said, look I have troops in Afghanistan; we don't have many Muslims in Poland, we have no Islamists in Poland. Why are we there? So that if and when we, in Poland, get visited once again by one of our neighbors, the United States will be with us. That's a pretty important matter of others looking to us and being engaged with us in what matters to us here at home.

They don't all subscribe to a war on terrorism. You won't hear that term outside the United States, except other places; it's considered largely a U.S. preoccupation, though maybe that's a misappreciation. But there was a clear understanding of where the United States was and a desire not to see the superpower on whom so many depend injured and damaged, if only by the American people turning inward as opposed to turning outward.

Well, then we did something which is, I think, both tragic and stupid. We tried an experiment; a small group of people sold it to the president. Based upon all this insipient power I talked to you about, the idea was let us see whether we can go it alone; let us see if we can implement a thing that I'm going to call the Wolfowitz Doctrine – if you want to find it out, it's in the Internet, written in 1992. It talked about using our situation to prevent the rise of any peer competitor – that means China – and also to prevent the development of ambitions for any hegemony in any region that wouldn't do what we wanted them to do – that meant Iraq; it means Iran in the Middle East; it could mean other countries elsewhere in the world. This led, more than anything else, to the war in Iraq: the Wolfowitz Doctrine, a tragedy in so many dimensions.

This institution, Jessica's leadership, did its best to find alternatives and it's doing its best now to try to find other alternatives to where we are now and I just wish our government were listening to them instead of some other folks I could name.

We squandered America's moral authority by the invasion of Iraq and sometimes in the world there's no more precious asset; perhaps that's now. Weakened the willingness of the United States' public to take on other burdens. Will there be another time, if we need to use military power in our real interests, that we, the American people, are going to be prepared to do it? Raised questions about the wisdom of U.S. leadership. Others, incidentally in Europe in particular, opposed the Iraq War, not so much because it was a moral question – that was there and there are an awful lot of cynics in Europe and elsewhere as there may be around the world – but to a great extent because they feared we would end up exactly where we are today in Iraq: weakened American leadership, questioning about what we can do, and being not available to do the other work that others want us to do.

They were prepared to be with us in Afghanistan because we were injured and they wanted to help repair it. They were not prepared to help us do further injury to ourselves in Iraq and to what we need to do.

This imposes, of course, a lot of requirements. If you were against the war in Iraq, too bad, it's too late, the United States will be involved in the Middle East for as far ahead as any of us can see. The old system of security is shattered. We have no choice but in our interests; the Europeans have no choice but in their interests to work to put something in its place. This is not Vietnam where you can walk away from a failed war and not bear major consequences. Back then, we still contained the Soviet Union. Today, the big issue is the Middle East and the United States has to find a successful way of leaving Iraq, because otherwise, it imposes grave penalties, not just on us, but on others.

But all this can lead to something positive if only because the experiment of going it alone failed, leading people to think again about many of the things that were tried and true in the past and that can work again if we learn the right lessons. The next – (unintelligible) – administration – Republican or Democrat – I think will have learned it maybe.

Now, what are some of these things? (Reasserted ?) the U.S. lesson, fundamental to our country that the American people support conflict only if there's a combination of American interests at stake and American values at stake. If you get one and not the other, we, the American people, will not support the use of military force.

In the 1990s over Bosnia and Kosovo, there were no palpable interests at stake, other than to save NATO which was being reformed; there were values at stake after the slaughter of people at Srebrenica and the ethnic cleansing in Kosovo. But what is that if you're going to send people out to fight and die? As a result, the primary goal of both of those conflicts for the United States and the allies, after prevailing, was to have as few casualties as possible. How can you tell an American mother that her child is going to go off to fight and die in a place they can't find on a map? And, in fact, in Kosovo and in Bosnia, there were zero combat fatalities.

Second, though, we've learned that the military power is certainly not enough in any of these circumstances, any of these circumstances. But have we also learned not to reach for a military instrument too soon, to make it genuinely the last resort rather than the first resort? And I don't say that for historical purposes; I say it because of the situation in regard to Iran right now.

I said to a very senior American official not so long ago, by putting all that military power in the Persian Gulf to intimidate the Iranians – which is not needed, they understand what we can do – we were making ourselves strategically vulnerable to a single missile by a single subaltern against a single American ship, and up goes the balloon. We were lucky that it was British sailors who were captured by the Iranians and not Americans, or we might be at a war today.

Oh, today, I told this to the American senior official – I said, oh, by the way, today is the 109<sup>th</sup> anniversary of the blowing up of the U.S.S. Maine in Havana Harbor, which was put there for the exact same reason we have two fleets today in the Persian Gulf. Well, I hope we survive that.

Number three, a need to integrate the instruments of power and influence. Our military commanders out in Iraq, certainly in Afghanistan, understand that the kinetic phase of combat – don't you love these terms? Kicking in the door phase? Don't you love these terms? – is only a little bit a part of it; that nation building is part of the situation itself. That's the issue in Afghanistan is whether the average Afghan over time is going to see the Taliban, who are resurgent, as the future or their own control over their own futures as the way to go.

That's expensive; it's mostly non-military. It is about agriculture; it's about health; it's about education; it's about roads; it's about governance; it's about listening to people; it's about cultural understanding. All of this great shmeat is fundamental even to the application of military power successfully. Our military commanders get it. Our politicians don't yet do it.

Number four, if we're going to deal with threats and challenges to us, we have to look at all the potential instruments. Terrorism: there was somebody who said a few years ago, most of the terrorism problem, 90 percent, is not military; it's police work; it's intelligence; it's border control. That was the Secretary of Defense. Got it wrong in what he actually did, but he had the vision. We had another person who said, one reason we fight poverty is because it is a way of reducing the appeal of terrorism and the strength of terrorism's recruiting sergeants: fighting poverty. The person who said that down in a conference in Mexico was George Bush, president of the United States.

Yet, regrettably, we are spending on the entire international affairs budget in the United States exactly one-twentieth of what we spend on the military. I guess you'll agree with me, that's not smart. I work – I advise a board at the Pentagon and they were complaining about what State couldn't do. And I said, well, why don't you just buy the

State Department out of petty cash? (Laughter.) They've got \$15 billion dollars; they've got a deputy assistant secretary over that who spends that much on the environment.

Number five, the value of partners and allies. Working with allies and partners, in part because there are things they can do, particularly in nation building, that we're not very good at. And we're engaging allies and partners also say to the American people, we aren't bearing the burdens alone – not just places where we have our own interests at stake, but also where others have them as well. We skipped the alliance for three years, and by God, now we're trying to say kiss and make up. It's not too late. None of this is too late.

Number six, one of the prices of this is having a renewed willingness to consult others and not to try to call all the shots. If we want to make all the decisions, we're going to do them all by ourselves. But if we're prepared to work with others, many of whom have smarter ideas, particularly about global warming, the environment, and a lot of things in nation building, we've got to listen to them rather than just doing it ourselves.

Number seven, U.S. leadership works if others can see its inherent value for them as well as us and it's used for shared objectives, not just my way or the highway. And this leadership is both expected and required. In the last four years, despite all the turmoil in Europe, I have not heard a single European say, Yankee, go home. They did during Vietnam because they knew we wouldn't. But they need us still in Europe and needed us to do things elsewhere because no one else at this time in history could intelligently and effectively bring together instruments of power and influence and leadership than the United States if we get it right – a great big if.

Number eight, the renewed value of institutions, like NATO and like the European Union. Time to end the squabble between those two institutions. Secondly, I believe the United States needs to forge with the European right now a new strategic partnership to help shape situations that will work for everybody collectively. Think about it: between us and the European Union, we have an incredible number of educated people; we're all democracies; we all have more or less effective governments – I better pause a minute on that, more or less effective governments – tremendous numbers of young people; tremendous numbers of people in health, education, everything else. The things that could be done.

You know, the American health sector, if it were a country, would have a gross national product number seven in the world. Just the health sector. Extraordinary what can be done with the European Union and that needs to be done on the 30<sup>th</sup> of this month when the president meets at the White House with EU leadership. And it needs to start with Afghanistan. It needs to start with Afghanistan. We can't have a second failed war, particularly one that relates directly to terrorism.

Number nine, we are beginning to see again something we invented: the requirement for the application of the rule of law. It is striking how much over Iraq we are lectured by our European allies about the United Nations, about the rule of law, when

we exported it to them after the Second World War. In fact, we are not going to get allies to help unless we show respect for it.

And number 10, yes, a need for moral leadership by what we do abroad and at home. We are held to our own definition of a city on a hill, a great strength, but a great weakness when abused. Yes, American exceptionalism about which people make a lot of jokes, but only if it's rightly understood. There was a senator from Missouri in the last century who said, my country right or wrong, when right to be kept right, when wrong to be put right, but my country right or wrong. At the same time, we have to recognize that the exercise of power in all dimensions, temperate power is necessary. We can't escape from that; we can't run away from the outside world.

Yes, as a former secretary of State said, we are an indispensable nation, but that has to be properly understood in terms of leadership that works for others as well as us. Of course, leadership is either a blessing or a curse for both, but it is at this moment in history inescapable, provided we get it right. We also can't walk away from the Middle East, as I've already said, but we have to see it writ large. We have to deal effectively with Iran, as we could if we got over feeling bad about the hostage crisis. I should feel worse than anybody else: it cost me my job. I worked in the White House; the American people fired me over the hostage crisis – oh, they also got rid of Jimmy Carter at the same time.

We've got to get away from that. We've got to look beyond this thug Ahmadinejad and realize that we are going to be in the Middle East and Iran's going to be in the Middle East; we need to find a way out, and it's possible to do that, and Condi Rice is now working in that way. We have to do Afghanistan effectively with others. We have to do Lebanon, we have to be effective on the Arab-Israeli peace process between Israel and Palestine, which we have not been doing for some time now and are unlikely to do in the near future to the degree that is expected by others. Peace for Israel, security for Israel, and peace and security for the Palestinians. Everybody outside this country knows how critical that is. We often tend to ignore it.

And yes, I haven't even mentioned the other things we have to do, which are being devalued by our internal preoccupation with Iraq. Russia and China, India, the great geo-political challenges for the future. Weapons of mass destruction, globalization, and the truly most critical issue of all, the environment and global warming. The problem in this town is the long-term is next week. We have to find a way to collapse the horizon, not just in classical foreign policy, not just in globalization, but in the things that truly matter, and global warming, I hope, we have not already passed the tipping point.

Now what do we need to do? Domestic strengths. Education. Health. 40 million Americans without health care in the seventh largest economy in the world? Just a health sector? Infrastructure. The economy, deficits and dependence, the five percent insolution. We rely five percent for our standard of living on people being willing to hold American treasury paper. How long does that go on? What does that do to us? Fix America first, perhaps.

We have to do something about a media which has failed us in the last several years. You want to get truly informed, don't look at The Washington Post or even The New York Times, certainly not Fox News or CNN. Start with the BBC, The Financial Times, The International Herald Tribune, and then a host of things on the internet. Because if you rely upon the public media, there's no way you can possibly get educated, I'm sorry to put it – read the publications of the Carnegie endowment, which are not based on those.

Civic education in default in this country. And then moral leadership and being an exemplar because everybody watches us. Let me just give you a few ideas. Gun control – one more minute. Gun control, the death penalty, Guantanamo, and leadership at the UN and the World Bank. First taken care of, the second, not taken care of. You read about the strife and the World Bank and the need for change if you read the foreign media; you won't read it here much in the American media. Absolutely critical.

Now for foreign actions, one basic rule: if you want to turn insipient power into lasting influence, you have to build institutions, attitudes, policies, and practices that work for us because they also work for others. Topic of the conference, is American primacy fading? What's that? What's it worth? What's the need? What do we really need? Primacy? No. The things I have just mentioned, yes. In fact, Fitzgerald would have said it best: a little leadership, some thoughtfulness underneath the bow, that's primacy – (unintelligible). Thank you. (Applause.)

MS. MATHEWS: All right, we have some time for questions. Have a go at Bob Hunter.

AMBASSADOR HUNTER: She's my friend, remember. (Laughter.) I remember an occasion in which Gerald Ford was having a 75<sup>th</sup> birthday over at CSIS, that's another think tank, and he was heaping praise on Kissinger, almost like Kissinger ran the administration and he didn't, and my wife said, why is he heaping praise on Kissinger? I said, because Kissinger hasn't written the volume of his memoirs about the Ford years yet. (Laughter.)

MS. MATHEWS: So, who would like to begin?

AMBASSADOR HUNTER: Tell me who you are please and where you're from.

Q: Good morning. My name is Mike Choi. I'm with the U.S. Department of Commerce.

AMBASSADOR HUNTER: Much more important than it used to be – (unintelligible). (Laughter.)

Q: In any case, thank you for your remarks, and I guess, I think one big question mark, I think you've raised very important issues and a need for a new outlook, but I

guess I'm kind of skeptical of our system, in particular, our political system. I think you're right in saying there's a lot of – much of our leadership here in Washington are starting to ask the right questions, but it seems like the way I would, I guess, call it the cannibalization of our political parties. It seems like the, both Democrats and Republicans, the way they elect their leaders and how the primaries are run seem to stifle debate, and the media is along right there with them. Is there any hope in reforming that and getting both parties to have more dialogue and also have more interchange with each other?

AMBASSADOR HUNTER: Wow, what a question. The question! I should have put it on my list. I don't know whether we're going to be able to do serious reform of the thing that is today most corrupting of our democratic system, in my judgment, which is the role of money in politics. The manner in which campaigns are financed and the cost of campaigns – can you think about it? The persons who are in the lead supposedly for the nominations of the two parties are the ones who raised the most money in the first quarter of this year. A cynic would say the best investment to make in this country is to buy a politician. Unfortunately, that may be cynical; that's also largely true. And you know where the money goes for campaigns, most of it? More than 60 percent? To buy time on television on the airwaves that supposedly belong to us, the people. I fear that until we find some way of moving beyond this corrupting influence to get free media time, to get journalists who are willing, at some point, to focus less upon the competitive aspects and more on doing their job, I fear we're going to continue to get the kind of governance we have. And that, frankly, is the most important problem I think we face because if we don't have a system that will help give us an opportunity to produce the right answers, we just won't get them.

MS. MATHEWS: In the back.

Q: Hi, Ambassador. Thank you very much. My name is Jeff Myer (sp). I work at the New America Foundation. Just thank you for your speech, just following up on one point in terms of the global warming. If it's the most important issue – (unintelligible) – just sort of a little bit mentioned as one of the many, and I'm just wondering in terms of the foreign policy, in terms of international policy circle in Washington, what is your outlook? How can it become sort of a major issue that's talked about along with geopolitical concerns, the rise of China, Iraq, Afghanistan? Thank you.

AMBASSADOR HUNTER: The New America Foundation, the Carnegie Endowment for International Peace, a lot of people yelling and screaming, what Al Gore is doing, and incidentally, we were ahead of the curve at the time of the signing of Kyoto, though the last president did not present it to the Senate and this president has decided to abandon it. We used to be in the lead; we aren't now. If you look what's going on in Europe, including in Britain, in terms of efforts to move on this, it will be quite refreshing to you.

I don't know exactly how we're going to get there. I don't know how people going to wake up in time to what's going on so that we will be able to take the remedies

before we pass the point of no return. The science is – five years ago, we had people who said that the scientists who talked about this were astrologers. At least even the president doesn't say that anymore. There was a Senator out in Oklahoma -- I was out there the other day -- who said the story of global warming is the gravest hoax ever perpetrated on human kind. Well, it's going to require a combination of public and private, it's going to require sacrifice, it's going to require efforts in the international area, it's going to require people with courage and leadership.

I have a couple of ideas. How about five dollar a gallon gasoline? John Kerry was pilloried in the last election for supposedly at some point having talked about 50 cents. I have a pet idea, which is to set a standard of 35 dollar, 35 miles per gallon. You want to buy a vehicle that gets less than that, it'll cost you a thousand dollars a year for every mile less, and if you get above that, you get 500 dollars back. These are all pretty simple things to do to start off with, but we have, in our system, no moral courage to deal with these things, and it can be devastating.

Note, for example, that in response to Blacksburg, where I went to kindergarten, incidentally, I know the place, the outcry for gun control in this country has been a tiny little mew. It's an act of insanity, the free availability of guns in this country, but the gun lobby silences just about everybody.

Q: Mr. Ambassador, politics is the art of fighting the wars you want to fight. Strategy is the art of fighting the wars you have to fight. You look at a public debate today – it's all about politics. But I talked to a United States Marine Corps colonel and I see a guy who's saying the war on terrorism isn't over. I talked to – what's that?

AMBASSADOR HUNTER: War on terror is what?

Q: The war on terrorism isn't over, and it's a total failure of understanding.

MS. MATHEWS: Oh, it's a misnomer?

Q: Yes, yes, ma'am. I talked to a former Director of Strategy in the Pentagon in the Reagan administration, and he has a better strategic idea than it seems the current thinkers do. I talked to a World Bank professor, and he can debunk a lot of the myths people have about the war on terror. Where is the strategic thinking happening right now that's going to define how we define our strategic agency as a nation for the next 10, 20 years? And is it happening and are these people talking?

AMBASSADOR HUNTER: Not enough of it's happening. That's a challenge to you and to me and others. That which is coming in a practical sense is coming out of the military on the ground. As I learned when I was out in Afghanistan, the people on the ground having to do the job in Afghanistan have learned what it is they actually have to do, and the rulebook be damned. You work with an NGO. You work with medicines, Doctors Without Borders. You work with Save the Children. You work with the UN, with the European Union. You try to work with the other agencies of government. We

have exactly 12 people from the Department of Agriculture in Afghanistan. That's nonsense.

My biggest worry, however, is getting the strategic thinking done at the top level. We all talk about Kissinger and Brzezinski, all the time. Where is the Kissinger and Brzezinski of the next generation? Well, maybe they're out there. How do you get them listened to? How do you get – this, I think, this is inside baseball for me but I don't think it's really inside baseball. Will the next president of the United States, whoever he or she is, have the wit and the wisdom to find people who really have a strategic sense? Two of – I'll speak – (unintelligible) – two of us are sitting at this table, right? Well there are a lot of others. I could name about 50. Or will they go with the usual process of the usual suspects?

You see, we don't elect presidents for foreign affairs and national security. We elect them for domestic reasons. Foreign affairs, one test, commander in chief test. Can that person keep us safe? We, the American people, don't try to judge that person – can they really do foreign affairs? You can't tell. There's no training ground. The best prepared president we had to do foreign policy was a guy named Richard Nixon. Right? He got an awful lot of things wrong, but at least he'd studied it, he'd learned something about it. Presidents tend to pick people for foreign policy the way they do for domestic policy, which is, who made a reputation out there? The people who need to have the reputations are not being identified. That, I think, is the most critical thing in national security for the next president, is to find people with a strategic perspective, hire them and listen to them.

MS. MATHEWS: All right, we have only time for one last question.

AMBASSADOR HUNTER: Do you agree with that?

MS. MATHEWS: I've been biting my tongue; I'm not – (Laughter.) One last one.

Q: Good morning, Mr. Ambassador, my name is Dan Perez (sp). I'm with the Department of Defense. You touched on a number of issues, including the idea of a paradigm gap. What sorts of paradigms do you see developing over the next 10 to 20 years, and what steps can the U.S. take to ensure that that's the correct paradigm for our foreign policy?

AMBASSADOR HUNTER: I don't think we're going to have a paradigm. Not to the degree we had in the Cold War. Because unless we are so stupid as to blunder, we and the Chinese, into a Cold War with one another, that's not going to be defined. Terrorism is not defining. I don't like the term war on terrorism. It's been exploited and misused; outside of this country and one or two others abroad, nobody uses it because nobody believes that that's what it is. There are things that have to be done, but it is not a war in terms of a unifying quality. That's a longer debate, but we're the only ones who even talk in those terms.

The one element of the old paradigm I think that continues is to lead a growing global economy. But for the rest, it's going to be messy. There are going to be themes; I've listed a number of them. But they don't have the compelling quality of a paradigm. It's going to be methodological, analytical, and heavily value-laden. Our greatest strength as a nation, historically, has been who we are and what we stand for. As imperfect as we've been in our history, that is what others look to us for, and it is a priceless asset which we have trashed in the last four years but fortunately are now getting back to. That's the paradigm I'd reach for, America as America in the best sense of what we are as a culture.

MS. MATHEWS: Okay, on that uplifting note, I realize, which I hadn't, that I've let this go too long. Do we have – you have some remarks before we –

ORIANA MASTRO: Good morning, everyone. My name is Oriana Mastro. I'm the junior fellow in the China program. Please join me in thanking Ambassador Hunter for his insightful remarks. (Applause.)

I think we can all agree that he has posed some key questions that hopefully we'll continue to discuss throughout today's conference. I'd just like to ask everyone to remain in your seats for the foreign policy panel, which asks what will the United States think, with Randy Schriver of Armitage International and James O'Brien of the Albright Group, with our own Minxin Pei moderating the discussion. Thanks again, Ambassador.

AMBASSADOR HUNTER: Thank you. (Applause.)

(End of session.)