

**CENTER FOR
STRATEGIC AND INTERNATIONAL STUDIES (CSIS)**

**THE LAUNCH OF THE PROJECT ON U.S. LEADERSHIP IN
DEVELOPMENT**

**“THE ROLE OF DEVELOPMENT IN U.S. FOREIGN POLICY AND
NATIONAL SECURITY**

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**SPEAKERS:
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FORMER SECRETARY OF STATE AND NATIONAL SECURITY
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**GENERAL JAMES L. JONES,
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MR. : Good morning; good morning. Can I ask everybody to take their seats? We're going to be starting our program in just a couple minutes. Good morning and welcome to CSIS. If you could take your seats, we'll be starting in just a couple minutes. Thank you.

JOHN J. HAMRE: Okay, ladies and gentlemen. (Cross talk.) Okay, ladies and gentlemen. I can always tell the success of any program we ever do by the energy in the room, how hard it is to get people to settle down, and so I know this is a success. We've already had a great success because of you. Thank you. Thank you all for coming. This is the start of something very big, very important for CSIS. And so the most important way for me to do that is to defer to one of my bosses, and that is Henrietta Holsman Fore.

Henrietta is, in many ways, the person most responsible for this new initiative because when she was at USAID, she reached out to try to create new working patterns between USAID and the private sector, and created the idea that we're now embracing. And she came out and she said, we need to do this here. So I introduce now to you Henrietta Holsman Fore.

HENRIETTA HOLSMAN FORE: Good morning, everyone, and I am delighted to be here and to congratulate CSIS on launching this project. It has an interesting name: the Project on U.S. Leadership in Development. But you will see, as the day progresses and as the weeks progress, that this is very much the intent of this program. I am particularly delighted to see two old friends in General Jones and Secretary Rice, one of whom is my former boss, here with us today because they are exceptionally important to this discussion.

We are going to focus on prioritizing the role of the private sector, of business and private enterprise because we think that it has a seminal role to play in saving lives, in generating jobs, but also in promoting stability. And we think that there will be better outcomes for America. We think it is in America's national interest, in our strategic interest and in our humanitarian interest to think about business and government and the private enterprise of nonprofit organizations to all be working together.

John Hamre and his board of directors is committed to the success of this project and I want to thank our two co-directors, if I can find them here: Joanna Nesseth – good; excellent – and Dan Runde. Under their leadership, I know we will have many interesting discussion in the days ahead. But CSIS under John's leadership has really put a whole team behind this. So, thank you to the global health team, to the team that does economic development work with DOD, to the regional programs' work and the many other parts of CSIS that will contribute to this project.

And the, I think it's very important that you know what we want to accomplish. So, we're after actionable recommendations that can drive us toward better outcomes and that the United States can be the preeminent player in development in the world, and that by extension,

this will lead to greater economic and human freedoms. So, that is a tall order but one we know that we will set upon with good hearts.

And may I introduce my partner in this, Steve Green, who is vice president of Chevron. He is the former president of Chevron Indonesia; before that, he was in Thailand. He has excellent experience on the ground and understands the importance of a job and a business in development. Steve. (Applause.)

STEPHEN W. GREEN: Let me add my thanks and welcome to everyone this morning. And thank you very much, Henrietta, both for that introduction and your life's work in transforming human development around the world. I know you're all here to hear more on that subject from Dr. Rice and General Jones. Being a keen observer, I'm quite sure you're not here to hear the old guy ramble on – (laughter) – very long. So if you would indulge me just a few moments, though, I'd like to share with you some of the reasons that Chevron is very excited to participate in this venture and this inaugural discussion of the Project on U.S. Leadership in Development.

First of all, we're very fortunate to be partnering with CSIS. We have a long history of collaboration with CSIS across a broad spectrum of issues that affect energy and the countries that we work in. We feel we could not have partnered with a more respected or innovative leader and we are looking forward to working with them, to moving the ball forward in the arena of development. Dr. Hamre and the considerable resources of the CISS (ph) team will no doubt break new ground in the area of development.

And it's time to start. In many of the communities that we operate in, people lack life's most basic things: enough food or safe water, health care, opportunities to make a living. These challenges exist all over the world. For years, the development community has expended a great deal of effort and resources to meet these challenges. But often, outcomes have failed to match ambitions. Today, the need is growing. Resources are diminishing. And we can't afford to accept the status quo. It's clear we need to put development on a whole new track. That's the purpose behind the Project on U.S. Leadership in Development.

I remember a time in my career, in order to solve a technical problem, you'd see people gathered around the table with a slide rule. Now, for some of the younger colleagues in the room, a slide rule is – (laughter) – a mechanical ancestor of a pocket calculator. (Laughter.) You'd never see a self-respecting engineer without one. You don't see many slide rules today, as technology has made them obsolete.

But no one has ever improved on the idea of bringing people together to talk, exchange ideas and find workable solutions to complex problems. Dr. Rice and General Jones will begin that process for us today, the first of an ongoing series of high-level public discussions aimed at changing the conversation about development. In addition to the forums, we're establishing a senior advisory board and a series of robust policy discussion groups. The outcomes? New and sharper tools for policymakers, including ongoing recommendations, best practices and lessons learned.

Many development projects today are ad hoc, outside of a larger plan. This project will appoint a commission to produce what will may be a first: a comprehensive review of the U.S. development agenda. Our goal? A strategic roadmap that points the way to the best opportunities for real progress. Realizing those opportunities will depend on leveraging resources of both public and private partners.

Some may ask, why should business care? The simple truth is, we can't afford not to care. It's tough to operate in a failing society. The long-term success of our business, or any business, depends on a healthy workforce and a healthy local economy. We're also part of our communities. We have a stake in addressing risk to our employees and their families and reversing conditions that undermine a community's economic and social development, or weakens its security and stability.

When we engage with our communities at Chevron, we define success in the way most people might: We succeed when we make a difference in people's lives. And we are making a different, but it took some new thinking on our part too. Not so long ago, we might build a school, engineer a fabulous building and later return to find out there were no teachers, no sustainable curriculum, no educational materials. So we took a hard look at how we invest in our communities and we learned that success depends not so much on how much we give but how we give and with whom we partner.

Today, we look for every way possible to get the most out of every investment we make in our communities. First, we focus on basic human needs – health, education, economic development – and we focus on projects that help build capacity and will one day sustain themselves. Second, we multiply resources by collaboration with governments, with partners with proven track records in what we want to achieve. And finally, accountability: We engage on the ground over the lifecycle of a project. We don't simply write a check and walk away.

A couple of examples from our experiences in Angola are helpful to illustrate this. We've operated there for more than 50 years. A few years ago, we teamed up with the Angolan government, USAID and some other NGOs to help Angola move past 30 years of civil war. Today, because of the Angola Partnership Initiative, farmers who once struggled to feed their own families are selling produce to feed others and microloans have sparked grassroots enterprises that create jobs across the economic cycle.

Based on this project's success, the Angolan government again reached out to us. In turn, we reached out to experts at the Baylor College of Medicine and the Texas Children's Hospital. A couple months ago, we were proud to launch a new program to address a big health risk in Angola: sickle-cell disease, which potentially affects some 6,000 babies born in Angola each year. It's a public-private partnership of strategically aligned core strengths. Doctors and staff have the medical knowledge and experience in establishing similar programs. We have relationships on the ground and resources to scale up and extend the program's reach.

We think this is the direction development needs to go in: smart partnerships. They're more effective in bringing urgent, focused action to development's most intractable challenges. Business, with our expertise, relationships and resources, must be part of the solution. You can

bet that Chevron won't be the lone partner in this initiative. If you'll pardon the pun, we're here to fuel the initiative. (Laughter.) We're also dedicated to recruiting other partners and corporations, so they can leverage their unique skills and expertise. And if I can borrow a phrase I think General Jones will appreciate, it needs to be an all-hands-on-deck exercise.

Let me again say how delighted Chevron is to be here today with the Project on U.S. Leadership in Development. CSIS and Chevron are determined to get results. We intend to show what's possible from a public and private alliance that teams up not just to change the conversation but to change the game. Thank you for your interest in the project and thank you for the opportunity to speak with you today. (Applause.)

MR. HAMRE: I'm going to pull this back so you guys can see. (Laughter.) Just a very, very small thing: First of all, I always have to recognize my bosses because they approve my paychecks. Brent Scowcroft is here and I want to say thank you to Brent for coming. Welcome to the Norwegian ambassador, the Turkmenistan ambassador, the Japanese ambassador. We are delighted to have you here.

And finally, let me – last – (cross talk) – let me – two little things. You know, I get a lot of credit for good things that happen here. But there's always somebody who's really doing the work, and it's the same – applies for Chevron. And so Kirsten Thorne and Joanna Nesselth are the two fabulous women that have brought this together. I want to say thank you to both of you. (Applause.)

And finally, finally, there are little notecards. What we're going to do is, I'm going to ask you, if you have questions to put to our two national security advisors, write them out on the notecard. We're going to have people here to collect them; they're going to aggregate them because this way we'll want to be able to manage it most efficiently to get the cross-section of questions that everybody has.

But, because I own the microphone, I'm going to start with the first series of questions and really draw on this – I've been so anxious to do this. I'm so looking forward to this conversation with these two remarkable people. I'm not going to waste any time giving you their résumés – that's why you're all here, after all.

Let me start with this question. Both of you, as national security advisors, struggled with the office because it constantly forces you to the traditional elements of security and the traditional things of foreign policy. And yet I know you both struggled to open that up, to get a broader concept of foreign policy. Condi, would you please start with that? And then Jim. I would like you to – how are you thinking about that?

CONDOLLEEZA RICE: Sure. Well, let me start by congratulating you, John, and CSIS on this very important initiative and to thank Steve and Chevron and my good friend and long-time colleague Henrietta Fore. I think this will be a very important contribution to what is an increasingly crucial and evermore difficult problem. One way to think about the broadening of the national security agenda is to think about the shock that we experienced on September 11th, which really started to redefine the way that we thought about security.

The first crisis that we faced in the Bush administration was really in April of 2001: The Chinese forced down an aircraft on Hainan Island. You'll all remember that. And I thought, that's something I understand; I know how to deal with that. It was very tense for a while but great-power rivalry is something that you understand and there was never any sense that the Chinese and the United States were going to war over that, although it was very tense.

And then on September 11th, of course, we experienced the transnational phenomenon of terrorism. But we had to look deeper, ultimately, at how – what that taught us about security. Of course, it taught us that we have to defend our borders. But it also taught us that the real danger to American security is not powerful states, but weak and failed states. And if you are going to deal with weak and failed states, you obviously want to have what my friend Steve Krasner has called “responsible sovereigns.”

In order to build responsible sovereigns who can defend their own borders, who can fight against terrorism, who can fight corruption – the same phenomena that allow terrorists to thrive in a place also allow drug runners and human traffickers and drug lords to participate there. And so the question is, how do you get responsible sovereigns? Well, you would like them to have connection to their people through democratic forms of government. But they're not going to last very long if they can't provide for their people.

And therefore, I think the broadening of security to understand that it is defense and development and democracy that go together was one of the most important long-term insights from what happened to us on September 11th. It wasn't just the narrow problem of terrorism – it was the problem of ungoverned spaces, of places that were failed states that could not deliver for their people. And so the direct relationship, then, between democracy, development and security, which we tried to pursue both at the White House, through places like the Millennium Challenge, but just also in understanding that we no longer – yes, development is something that we should care about for moral reasons. No one should live on one dollar or \$2 a day. But it also has a deep security dimension for the United States.

MR. HAMRE: Jim?

GENERAL JAMES L. JONES: I completely agree with everything that Condi just said, and it's great to see you –

MS. RICE: Good to see you.

GEN. JONES: Back in town. Wonderful to be with you.

MS. RICE: For a little while. (Laughter.)

GEN. JONES: I think that this development piece is really a fundamental part of our national security strategy, just as economics play an important role in the overall architecture that defines national security. It is, I think, a way in which we can engage in the 21st century to bridge the gap between the haves and the have-not countries. It is a way in which we can fight

radical ideas, radical fundamentalism, terror. And it is particularly likely to succeed, if we do it right because the world is smaller in terms of communications. The people – the have-nots of the world are aware of what they don't have because they can see how the rest of the world is living: They can experience it; they can see it on their handheld devices; they can see it on television.

And what we're seeing in a lot of the reaction in North Africa right now is an expression of people who want to be more involved in what happens in their lives. They want to have more opportunities for themselves and their children. They want more transparency and clarity in how they're governed. And we have an opportunity, I think, and as Henrietta said, the United States has a singular opportunity to transform its leadership role in a certain way to combine the elements of the world that are on the "have" side of the house to proactively engage and prevent, I think, future conflicts by giving people and by imposing our – or offering a solution set that is geared to the particular problems of a given society that, left unattended, would become a future Afghanistan, perhaps, 10 or 15 years from now.

So I think this is a basic part of what we should be doing. On my watch, in the NSC, we did have – we do have a global development directorate well-staffed. It is a – as it was for Secretary Rice, it is a high priority for Secretary Clinton and this is an intrinsic part. There's a lot of work to be done but it is there in the – in our systems and it's something that we're going to be working on for a long time.

MR. HAMRE: Jim, you opened up the issue I next wanted to talk about. We call it the Arab Spring – I'm not sure if that's a good term or a bad term but that's what we're calling it as a shorthand. About this remarkable popular uprising of hope, and I say "hope" because it's not a rejectionist narrative that's dominating – in other words, it's not a radical religious narrative. It's a narrative of hope and opportunity.

So my question, really, to both of you is, you know, this is about jobs and the future. And governments can help in some ways, but that's really somewhat the private sector. How well are we situated as a government to help promote economic development as the private sector leading it, as opposed to the government trying to find things to do?

GEN. JONES: Well, I think we've had a lot of experience in it – we just don't realize it. I mean, what happened after the end of World War II was global development, when you think about Europe and Japan, and we did that rather well. And so it's not foreign to us – there's no secret here. We're probably pretty good at kind of one-off type projects. But it isn't systemic anymore and we have to find the ways in which we can not only come to grips with this in our own society but then also encourage other countries to participate willingly in this because this is what will change the amount of violence that we have in the world.

MS. RICE: First of all, I think that whether you call it the Arab Spring or not, what we're seeing is the expression from people that they want to control their own affairs. The notion that is sometimes out there that democracy is somehow a Western plot or a Western value, an American value, is being given to lie in the region because it is clearly a universal value. It is not

surprising that human beings do not want to be governed by those that they did not choose. And that is fundamental to what's going on.

It is also the case that these authoritarians who did not provide for their people – and these are very often jobless people in the streets – and if we are so fortunate to see the rise of democratic governments in the Middle East out of this quite understandable upheaval, then those governments are going to have to provide for their people, and that means economic development and wellbeing for them.

So how do you get there? And here, I would say that the notion that you have a public-private partnership is very central because we actually have overlapping and complementary but different roles to play in the public and private sector. I was a corporate director – I was a Chevron director, as a matter of fact. No corporation is going to, for simply the largesse, be involved in the development. As Steve said, you find, though, that it's very difficult to do business with chaos all around you. And so there is an interest from the private sector in this issue.

But the way that I like to think about is, what we can do with foreign assistance, with what USAID can do, with what the European Union can do, is we can help countries to begin to build the infrastructure that can attract and properly use private investment and business development, which then produces the jobs for its people. The United States government, the British government, the French government is not going to produce the jobs for our people here, and the Chilean government or the Egyptian government isn't going to produce the jobs for its people there. The private sector will do that.

But what governments have a responsibility to do is to create an environment in which foreign direct investment and trade and job creation can take place. So with the Millennium Challenge Corporation, we tried to choose recipients who were ready to make the right investments in educating their people, both men and women, investing in their people's health and in their infrastructure, fighting corruption, governing under rule of law. And then when they get to a certain point in time, you would hope that they really are attractive for foreign investment and for job creation from the private sector.

No amount of direct – no amount of foreign development assistance can supplant the role of private investment and the private sector. The role of foreign assistance is not to create a permanent dole for those countries, to create permanent wards of the international system, but to produce and help produce capable governments that can then attract foreign assistance. And I think if you think about our roles in that way, they're complementary.

MR. HAMRE: Jim, you – after the Iraq War of '91, I know that you had the assignment to go up to northern Iraq to help protect the Kurds. Can you share with us – and take yourself back. In that environment where you were trying – the unique connection of security and kind of economic hope – I know you had to deal with that. And can you – can you just tell us a little bit of what you were going through at that time and what it was like for us, what did we need as a government at that stage to be able to do?

GEN. JONES: Well, actually it was one of the most interesting assignments I ever had, because it was physically challenging. We had three-quarters of a million refugees in the mountains of southern Turkey in the end of winter, but still very, very cold; another 1.2 million over by the Iranian border that were moving in that direction as a result of this human stampede that was caused by the – by Saddam Hussein's government.

But the interesting thing about the operation was that there was a lot of NGO activity up there, but they physically couldn't get the supplies to the heights and the mountains. And we had helicopters. And there was a kind of coming together of two groups that never really worked that well together in the past on an international scale that was able in fairly short order to bring people out of the mountain back into their homes and to get the – get the economy started. This was 1991.

Last week, I went back there for the first time in 20 years and saw Kurdistan and the northern part of Iraq. And I was just astounded at the progress that's been made there, the economic vitality. In every town, their stores are open, there's traffic jams, there's investment – international investment. There should be more American investment, but that's another story. But it is really – was really gratifying to see – to see that.

But the combination in 1991 of international security forces, establishing the security framework that precluded some – what was left of Saddam Hussein's army from interfering with the people and in allowing the NGOs and the international frameworks to come in and restart the way of life in that northern third of the country was exciting and one of the most important things, I think, that I was allowed to do in my military career.

MR. HAMRE: What – again, I think this is such an interesting area to talk about here, this connection of personal security and economic hope. And one thing that you two worked on together – Madam Secretary, when you were in – was this effort to try to create a more stable security force in Palestine. Can you just describe your thinking about that? And Jim, you were in the job of actually pulling that together. Condi, why don't you start by how you were thinking about it, and then, Jim, your thoughts – (off mic).

MS. RICE: Well, the first thing that we needed was we needed a Palestinian government that was actually devoted to fighting terrorism, securing the lives of their own people and then making life better for their own people. And we got that through Mahmoud Abbas and his prime minister, Salam Fayyad, who clearly wanted to make the West Bank into a place for the Palestinian people to see what the future of a democratic Palestinian state could look like. In fact, Salam was fond of saying he was going to build his state even if it was under occupation; he was going to build the Palestinian state.

And so the first thing you need is you need a government that's prepared to play. The United States can't do it if it doesn't have a partner.

Secondly, we needed Israeli recognition that it was to their benefit to have a functioning anti-terrorist, well-developing democratic West Bank or economically viable West Bank. And so part of this was to work with the Israelis to do some things that Jim can describe in a moment.

So those were preconditions. Then you needed security forces that were going to be professional and that were really going to be dedicated to keeping the peace, not fighting among themselves. And then you were going to need economic development of a really massive kind in a place that had this bizarre character of not actually really being a state. You were always – whenever I talked to the Congress, you had to prove that the money wasn't somehow going to Hamas. But USAID really then became a partner with the private sector through something that Walter Isaacson launched: a public-private partnership for the Palestinian state. And West Bank growth surged to 9 percent.

The story that I like to tell, building on these security forces and the economic development – in 2002, I will never forget sitting at my desk as national security adviser with the Vatican on the phone, yelling at me about the fact that an Israeli tank had dislodged a shell into the Church of the Nativity. That's how bad it was in Bethlehem in 2002.

And in 2006, Salam Fayyad held a donor and business conference in Nativity Square with a thousand people there representing companies that wanted to invest in the West Bank. What had changed? In part, the will of the parties had changed, but also some really hard spadework on building those security forces to a point that they could actually be capable – I'm sorry, it was 2007 – that they could actually be capable and then attracting investment. And Jim took on the role of helping the security forces to develop in the Palestinian territories and also transferring responsibility to Palestinians in places like Jenin that had been the worst of the worst during the intifada.

So maybe, Jim, you want to talk a little bit about that.

GEN. JONES: Thank you. I should thank you for giving the opportunity to do that.

Well, you know, this brings to the point that one aspect that's going to be difficult in this development business is it is strategic. You have to be willing to commit for the long term, almost ahead of the problem metastasizing, you know. So – and it's hard for governments to do that. They're so concerned with the here and now.

So we had a lot of discussions back and forth between the Israelis and the Palestinians on tactical things. But we tried to elevate the discussion to be a little bit more strategic. And the strategy was, where do you want to be five years from now? And because what you're doing right now is just making more enemies for yourselves. You're not – you know, by limiting trade, for example, and limiting access, you're not – you're not – you're not showing young Palestinians that you really do want two states living side by side. And frankly, a lot of the burden was on the Israelis because they had the upper hand in just about everything.

So building – I think about these projects in terms of three pillars. There's a security pillar, an economic pillar and a governance/rule of law. And there's a lot of things that fit in each one of those. But basically it's three pillars. And when you apply the pillars to a given situation – in this case, the West Bank – it seemed to us that there was a logic and – for both sides, who indicated that they wanted to have two states living side by side in peace and security,

to go beyond just the security pillar. The security pillar is very important, but that was under way. We were training a Palestinian force. And so the question was, well, if you're training this force, why don't you let them do something? And the Israeli answer was, well, the more they do, the less we'll do. That's a quote from an Israeli chief of staff. And they started working that way. And they started building not just contacts at the high level but at the low level, at the platoon-commanders level. And they started saying, hey, these guys are pretty good.

And then it went from there to kind of opening up the crossings a little bit, letting families reunite across the so-called border; more goods and commerce; and then the idea if the West Bank flourished, that would be a message to Gaza, the Palestinians in Gaza who would see this and say, what about us?

And at the end of the day, in the two-state solution, the idea was that if we got this model working, not only would it work in Jenin and Nablus, but it could expand in other places in the West Bank. And I think that's generally what's happened. But it's the fusion and the right application; first of all, a strategic approach; and second, the fusion of those three pillars in the appropriate way to show that there is a – there is a solution set from – coming from the bottom up from the people – from the people up. And that was the idea.

MS. RICE: If I just may add, too, the United States government does have tools to do this, and so does the European Union. I see Rob Mosbacher sitting out there. And OPIC was a major help in guaranteeing –

GEN. JONES: Very important.

MS. RICE: – American companies – that the investment was safe. We have – we had with the European Union a very strong interaction and coordination of their assistance programs, which, by the way, tend to be larger than ours for the Palestinians; and then even with the Arabs, where it was – I sometimes felt like the Palestinians' chief fundraiser, because I would call the Kuwaitis and say, you know, could you pay; and call the Saudis and, could you pay? But eventually, I think the Arab states that had been putting a lot of money into the Palestinians but had never seen much from it were also mobilized, too, by what we were doing.

And so having this strategic framework that Jim talked about brought all the parties together in a way that I don't think you would be able to do if you were doing it alone.

MR. HAMRE: And if I might just – commentary – you know, that's something companies can't do. You know, a company cannot bring all the parties together.

MS. RICE: Right.

MR. HAMRE: That's things governments do.

MS. RICE: Right.

MR. HAMRE: And that's one of the unique roles, if we can find that focus for governments, because then they have a capacity to make a difference.

MS. RICE: Right.

MR. HAMRE: Look, I know one of the things you – both of you miss the least out of being out of office is testifying in front of the Congress. (Laughter.) Well – so I will posit that as a starting point. But let me ask you hypothetically to put yourself back in the witness seat. And you're trying to say to this Congress, why is it worth spending money on development for other people? What – you know, this is a hard message right now.

MS. RICE: Yeah. It's a really hard message. And it's a hard message because we're – you know, we have a huge deficit-reduction debate, and we could get into the ins and outs of what actually causes deficits, but I think the argument that Jim started with and that I started with, this is – this is, of course, a moral cause. And as President Bush used to say very often, to whom those a lot is given, you know, we owe a lot. And it's true. And so morally we have an obligation.

However, if I can't convince you of the moral argument, let me convince you of the practical argument. You don't want another Afghanistan out there. You don't want the northern border of Mexico to look like a failed state. You don't want Yemen to – as it's doing – break into civil war and become the new Somalia or the new Afghanistan. How many times do we have to learn that ungoverned territory, where people – where governments cannot deliver for their people and where hopelessness and chaos reign, are a problem for us?

And so let's remember what has happened when the United States has put its mind to helping to deal with chaos. World War II is probably the best example. In 1947, 2 million Europeans were still starving. People were seriously talking about communism not just in Eastern Europe, but when the Italian communists won 46 percent of the – 48 percent of the vote in 1946 and the French communists, 48 percent of the vote, people were talking about a communist Western Europe.

And it was the foresight of the United States to engage in free trade, economic development, nation building in Europe that led not just to a stable western half of Europe but ultimately defeated the Soviet Union and has now led to a Europe that's mostly whole, free and at peace.

So we can pretend that it doesn't matter that there are these places out there that are ungoverned spaces, places where people live on a dollar a day, places that are chaotic because there's neither security nor prosperity and that that doesn't affect us. But it is most certainly going to affect us. And we can't have a short-term view of our interest that just tries to put a barrier around this and to defend in that static way.

And so I think there's a very powerful argument for the practical need for the continuing engagement with countries. But I will say two things. The – those of us that want to make that argument – oh, two more sentences. Paul Applegarth is here. He was the first MCC. We're not

going to fund corrupt governments and corrupt officials who line their own pockets. That's not what we're asking the American people to do. We're going to insist on fighting corruption. Your dollars will be well spent.

Secondly, we're going to get our internal act together so that we don't have every American governmental agency and institution competing, redundant, trying to do the same things; doing the same thing year in, year out, whether or not it's working or not. The U.S. government has to be organized and efficient in how it delivers foreign assistance too. The delivery of our foreign assistance costs too much. And so it – we have to add those two sentences to the strong moral and practical appeal that we're going to do a better job of delivering foreign assistance and we're going to care a lot about to whom it's delivered.

GEN. JONES: We – when you're at a point where you have to encourage members of Congress to get passports, you have a serious problem.

MR. HAMRE: This is one the record, by the way. (Laughter.)

GEN. JONES: (Off mic.) And – but to say that you understand their position is because if they go overseas, they get criticized for taking – (inaudible). So we have a – we have a – we have a serious problem here. You know, the fact is that the United States after the – after World War II became a – maybe a reluctant, but nonetheless player of significant proportions on the global playing field. What we achieved in the latter half of the 20th century was through the hard work and vision of what Tom Brokaw calls the “Greatest Generation,” and we should be forever indebted to that generation.

But we need a new greatest generation now in the 21st century. We need to understand the world as it is, not as it was, because it's changed. It's more globalized. It's smaller. We have peer competitors. And I would say, as a national – former national security adviser – and maybe Condi would agree – that American competitiveness is at stake here in this new global environment. And we have to make some fundamental adjustments into how we're going to engage and how we're going to lead in the 21st century. We have severe economic problems, which means that we can't do it alone.

But that doesn't mean that we can't play a dominant, indeed primary role, because one thing I'm sure of – and I hear it all the time in my travels is that the world wants a powerful, strong United States that they can lean on and rely on. They don't want another unipolar world with – you know, dominated by a single power. But it's a multipolar world that we're going to live in, and we have a significant and very important role to play. And it's extremely important that we understand that that leadership role is a gift. It's not a burden. It should be a gift. And it has – it will have a lot to do with what goes on in the world. We'll get our economic house in order, and we'll – we will – we always figure out, you know, after trying everything else, as Churchill said, we'll do the right thing.

And – but it's important that our people understand and our elected representatives understand that there is no guarantee that the United States is going to be a preeminent power, the world's greatest power, in the year 2050. We have to work at that. We have to show the

examples. We have to maintain our values and project them wherever we can. And this global development piece is a way to show not just that we have the strongest army, navy, air force and Marine Corps, but that in – that that piece of it in conjunction with economic development, a closer working relationship with the private sector and the NGOs and the international community can in fact transform the world from a security standpoint, from an economic standpoint and can avoid future – and can proactively delay and in many cases avoid future conflicts.

MR. HAMRE: So I've got some great questions. And I'm going turn to them here. Let me ask one last, if I may. And this is back on the security interface with kind of normal economic life. One of the problems that plagues so much of the world is the growing kind of convergence of criminality and corruption and terrorism. You know, we – if you look at the trans-Sahel region, you know, in Africa, where we're seeing – you know, we're seeing criminal networks that are simply exploiting weak governments to move through a region; and of course, the corrosive influence of a guy that could walk around with thousands of dollars, a lifetime worth of income, to ask them to look the other way while we do something, you know.

And the way in which that merges with security interests – where – we don't seem to pull this together well in our government. Can you – Jim, start with you and then ask Condi to respond.

GEN. JONES: It's a growing threat, in my view. And one of my last conferences when I was in office was to go to – (inaudible) – Russia, actually chair of the conference. Forty-seven countries, I think, showed up. And the theme of the conference was the growing threat posed by the work – the cohesion between organized crime, narco trafficking and terror. And there's a growing body of evidence that suggests those three entities are working much closer together. You can see that in Afghanistan over the – you know, over the years. In the area that you were just talking about in West Africa, the West African littoral is awash with those kinds of problems going up and down the coast.

And so there are – this is a growing threat, this partnership between those three entities that the global community is going to have to deal with.

MS. RICE: I'd say that we need to attack it at three levels. First of all, the international community, such as it is, needs to get serious about this. There are many things that you can do with Security Council resolutions, as we saw just after 9/11, that can give countries, even using their own laws, without kind of big international law, the tools to deal with terrorist financing, to deal with trafficking in persons, to deal with arms – the proceeds from arms. And we have actually good mechanisms for tracking that funding, for sharing the intelligence. And so the international system can get more serious about doing this.

Secondly, we need better cooperation in a more real-time basis when something is about to happen. On the proliferation side, we started something called the Proliferation Security Initiatives. I think there are more than 80 countries that are a part of it now. And what it does is – it actually doesn't even have a secretariat. It's a virtual organization. But these 80 countries share intelligence. And let's say that some bad cargo was about to land in Germany. Then that

intelligence can be shared, and the Germans can deny it overfly rights or the Italians can intercept the cargo. And so, we need real-time abilities to deal with – (off mic) – when we see things moving.

Third, we need – it goes back to the problem of responsible sovereigns. These networks, whether they're terrorism, trafficking in persons, arms runners, drug deal – drug dealers, they prey on weak governments. They prey on corrupt border police who will take a bribe from a terrorist or a drug runner or a trafficker – they don't really care. And so that is another argument for why getting involved in helping these responsible sovereigns grow up so that they can police their borders, so that their police can be trained to be real police rather than just people who take bribes, so that they have justice systems that can actually prosecute these crimes.

And so yes, it's a growing threat and it's a growing problem, but it should not be beyond us to be able to work at those three levels to deal with this problem.

GEN. JONES: John, could I just –

MR. HAMRE: Please.

GEN. JONES: – add one more thing to that? We have made great strides in the last few years on intelligence cooperation, but – where it relates to terror. It's almost a discrete specialty. If we could broaden that to include the things that Secretary Rice was just talking about in terms of what we know about organized crime, what we know about narco-terrorism, narco-trafficking and the linkages between those two, I think that would be – that would be value-added to what we're trying to do.

But I think one of the – one of the singular successes that we had since 9/11 is that we have actually – and we hope it continues – we've been successful in thwarting a lot of different acts and different attempts in different capitals from terrorist organizations. And that intelligence sharing now has reached a new level of competence and speed with which we share things, that we used to languish over and take a lot of time in deciding. Now it's decided at pretty low levels in order to get that information out there to preclude an attack on one of our capitals.

MR. HAMRE: Again, forgive me for adding commentary here, but I think of how we treat this problem of piracy, you know, in the – off of the Horn of Africa. I mean, it's – you know, everybody here hears the word "pirates," and they think of Johnny Depp, you know. I mean – (laughter) – but think about how corrosive this is to those societies, how it undermines every day the coherence of authority. I mean, it's – you know, and yet we have this romantic view that somehow we don't have to worry about that.

Forgive me, I'm getting –

MS. RICE: (Off mic.)

MR. HAMRE: – now I'm talking, and I should be – I should be asking questions.

Let me – excellent, excellent questions. Let me ask one of them here. I hear this all the time too. And that is a – you know, concerned people say, you know, Chinese are all over Africa; they're doing such a good job, we're stumbling all over ourselves. You know, how do you think about that? How much is a rivalry here going to be informing a new approach to development? How should – what should we be doing on this score?

MS. RICE: Well, first of all, I think you can – we can overstate the rivalry between the United States and China in Africa, because people are kind of looking for the new Soviet-American conflict; you know, what – who are the great giants astride the international system, each with their own view of how human history ought to be involved, with friends and client states all over the world? I mean, that's sort of the image: Is China rising to that point?

I think most of China's activity to this point can be described more as mercantilist. It's the kind of wild search for resources. It looks almost a more 19th century than 20th century view of how things ought to be developing. But that said, I think the greatest danger in that is not actually rivalry for us, with us, but what it's doing to the continent, doing to Africa and potentially to other places.

And the Chinese have to be careful – and I've said this to them directly. They're getting a reputation for essentially acting in a colonial way toward the continent of Africa, using Chinese workers, not African workers. There have been a number of really nasty mining incidents in a couple of African countries where the safety standards were not very good. But for me, the most troubling is that this very carefully crafted international consensus on the two-way street that is donor and assistance, or donee, breaks down under, I think, the way the Chinese think about foreign assistance. So the World Bank, the United States, the European Union, the Japanese, even emerging market donors like India, have had a view that you don't want your foreign assistance going into corruption, and so they have tended to be more exacting in their relationships with countries to which they're donating money about conditionality.

Then you have China come along and you see the funding going wherever you can buy a minerals contract. And you think, whoa, this is a problem, because it takes us back to the days when you just made a deal with whatever corrupt authoritarian there was without any concern about how that assistance was going to affect the lives of the people.

Now, yes, we ought to speak about that. We ought to speak to the Chinese about it. I think the Chinese, when you confront them in that way, are kind of embarrassed by that analysis, and so it's something that one can do. But, you know, this is something the Africans have to care about. This – we shouldn't hold their hands for this. They ought to be able to say to the Chinese, this isn't the way that you treat our people.

Just one quick vignette: (Inaudible) – will remember, I was in Ethiopia. And I asked an Ethiopian leader, I said, what is that? And he – it's this just palatial building. And he said, oh, that's the new African Union headquarters that is being funded largely by the Chinese. And I thought, the African Union should be worrying about peacekeeping forces for Darfur, not funding a palatial palace as a headquarters that makes Brussels look shabby by comparison. (Laughter.)

And so this is a message also to the African leaders. If you don't want to be treated in a 19th-century way, then don't accept that kind of treatment. And I think that's more of the problem for me with what the Chinese are doing than some kind of rivalry with the United States, which I think is not likely to materialize.

GEN. JONES: And I would just simply add by saying I think we have our own internal problems in our country in how we compete, and this gets to the competitiveness aspect of things. One of the most interesting things President Obama asked me to do, in conjunction with the secretary of defense, the secretary of commerce, the secretary of state and the U.S. trade rep, was to go up to the Hill and speak to the assembled leadership of the Congress, on both sides, about the national security imperatives of export control reforms and how we do business, because we have a 20th-century view that recalls when we were the dominant technological power and that we could put certain restrictions on how we sold things and under what terms we would make our products available, and the world had to accept it because there weren't too many alternatives.

Now that has changed. But we still have our laws and policies on the books that make it very difficult for U.S. companies to compete. And I think this is something that we should continue to address internally here in how we focus ourselves for the realities of this very competitive 21st century so that – so that our companies can also compete, and in accordance with the policies that allow them to do so.

MS. RICE: I agree completely with that, yeah.

MR. HAMRE: OK. I've got a real tough question here, and that is, North Korea, we've got a government that is so venal that it's starving its own population. And there's a humanitarian crisis. This is a painful dilemma for a country like ours and like most civilized countries that genuinely care.

What should we do?

MS. RICE: Well, I spent a lot of time trying to solve the North Korean problem. And, you know, we made some process, and then I think after Kim Jong-Il's stroke, frankly, in 2008, there's been a real reversion both in Korea and in China – in North Korea and in China.

But on the food issue, we've always – I've always felt, and it was our view and President Bush's view, that you don't use food as a weapon for political purposes. The United States was the largest donor to Afghanistan of food during the Taliban. So starving people shouldn't be starving because they've got bad governments.

That said, the North Koreans present a particular problem, because they siphon the food for their own strategic purposes. And so there I think the conditionality should not be linked to their nuclear program or other things like that, but should be linked to very strong constraints and rules about how the food is going to get to the people.

Again, we had a very tough regime with them at one point where they were actually allowing foreign aid workers to distribute the food in parts of North Korea that we had actually never even seen. It was quite remarkable what was sort of happening in 2007. They were allowing, for instance, Korean-speaking foreign assistance workers to come in. Now, you think to yourself, why wouldn't you want Korean speakers – speaking foreign assistance workers? Well, because you'd like to control what's being told to the population. That's why you don't want anybody who's Korean speakers.

So we had pretty tough regime with them about how to distribute the food. so that would be my view of conditionality, not on anything else that they do, but on how the food is going to get distributed so that they can't siphon it.

GEN. JONES: I agree with that.

MR. HAMRE: Very well said.

Are you – are you all enjoying this as much as I am?

MS. RICE: (Laughs.)

MR. HAMRE: Gosh, you know – and I – what drives me nuts about Washington these days is there's a complete lack of civil discourse between the two parties, and this is so darn refreshing.

MS. RICE: (Laughs.)

MR. HAMRE: I think – I want to say thank you to both of you, (because it's ?) really great. (Applause.)

Let – I have several questions here that are – I'm going to use my words, a little, you know, kind of pro-Millennium Challenge Corporation, some of them a little pro-USAID. So I'm going to try to weave a fair line here between them.

You know, I thought the creation of Millennium Challenge was a great idea, because it did create incentives that get at this question about responsible sovereigns. But it also – you know, it's a small set of countries right now, and it's leaving a lot of countries around the edges that aren't close, and yet that's probably the failed state problem we're most worried about. I mean, so we've got – we've got an AID challenge and we've got a Millennium Challenge Corporation challenge, and they don't quite match up.

How would – how should we think about retooling the tools we have? Because we've got a lot of tools. So the question is how well we're doing with them.

MS. RICE: Well, Jim can speak to this, but I think when I was secretary, what we tried to do was to actually think that these might be part of the same government, you know, that actually, the coordination of the two was not a bad thing.

MR. HAMRE: (Inaudible.)

MS. RICE: And I think we made a lot of progress in that regard, because we are all pushing toward the same goal. There's an urban myth out there that the State Department or Millennium or whatever, that when they get involved, you're thinking about shorter-term goals, and development takes a long time. Well, no; when I say that the national security priority of the United States is to create responsible sovereigns, that's a long-term goal. And there are some countries along the continuum that are further along that you can reward with big compacts, as we did \$878 million to Tanzania, 475 (million dollars) I think it was to Ghana, because they've got the infrastructure, the capacity, the will; they're showing that they can do that.

And in fact, you can give those governments more responsibility for actually allocating and using the aid, helping them at the same time to build their infrastructure. There are some that are not at square one, and that has to be more in the realm of bilateral assistance. You're going to have to use a lot more NGOs, including American NGOs, to actually deliver the aid. And so there's a continuum, and we need to use our tools along the continuum in a way that addresses the specific problem.

Now, one thing that we found we were able to do was that Millennium Challenge initially built kind of its own infrastructure, too, in some of these countries. Actually, the infrastructure of USAID was quite capable of helping to deliver even the Millennium Challenge kinds of assistance. So take the country that you're looking at, try to develop a plan for that country that moves it from basket case to responsible sovereign, and recognize that that's what you're trying to do, and I think you'll find that we have tools all along that continuum. Because it's true: Not every country is ready for a Millennium Challenge Compact. Some countries turned out to be ready for a threshold compact, which meant that you were trying to get them ready.

Liberia, for instance, a country that had come out of civil war, had good governance, no infrastructure to speak of; it got a threshold agreement, a smaller amount of money to begin to develop to the place that it could be a recipient of the Millennium Challenge. So I think we create a bit of a false dichotomy here between what USAID does and what Millennium does or what bilateral assistance needs to do versus the kind of large compacts. It's really a continuum, and different countries need different prescriptions.

GEN. JONES: Well, John, I'd like to underscore your comment that this is really a bipartisan issue as well. I mean, this is not going to work if it's not completely bipartisan. We have to all buy into this and work together.

We've done a lot of really good things. A lot of it you don't hear about, but we've done – made a lot of strides in global health. We've done a lot of work in combatting poverty. We've done a lot – we've made important strides in food security, for example. We need to ask ourselves about energy security, water problems and things like that – things at the very basic level. And we should resist the notion that there's a – there's a cookie-cutter solution to this. You have to diagnose the problem, as Condi just said. You have to get the right prescription and figure out what's going to do the most – the most good.

I was very encouraged by the NATO summit in Portugal in December where a new strategic concept for NATO – which if you read it carefully, in the case of NATO, would be willing to be more proactive in these kinds of security challenges. And we saw how quickly they reacted in Libya, which – for by NATO standards is really lightning speed. And there's more that can be done there, but the point is the combination of security, economic development, governance, rule of law and all of those things that fit into the – in that triad, in each one of those pods, doesn't necessarily have to be applied the same way each time. But it is going to take a willingness by the international community to think more strategically, to think more long term and to really buy into this idea that by proactive engagement, you're really – you're – it's a lot cheaper up front and you're really foregoing perhaps a major disaster sometime down the road.

MR. HAMRE: If I could just follow up, I mean – and you both have talked about all the tools we have, and we do have a lot of tools. But, you know, Washington is kind of like a giant hockey game where there's 15 goalies and no puck.

MS. RICE: (Laughs.)

MR. HAMRE: You know, you can't get things going. You were in the job of trying to get the government together. And yet we're so fractured; we've got all these different bureaus. I mean, you know, OPEC. We've got OPEC doing work on the side but they can't get meetings with people. You know, what do we do? How do we do a better job of joining up the government? We've – as you say, we've got the tools.

MS. RICE: Yeah. Well, actually, I told – and Jim may remember as SACEUR and other jobs that he had, like Marine commandant – I told Steve Hadley, when he succeeded me as national security adviser, I much preferred being coordinated to coordinating.

MR. HAMRE: (Laughs.)

MS. RICE: And so when you have the agency – and I felt as secretary we were able to sort of develop a strategic direction, and we were able, for instance, in the Palestinian issue, to bring the relevant agencies together to work toward this common goal. But it's frankly hard for a lot of reasons, some having to do with the executive branch, people are busy and the White House is small and can't coordinate everything.

One of the things that I hope as we look at how we deliver foreign assistance and reform of delivery of foreign assistance and what should we be doing with the public's – with the private sector and so forth, you know, the differing jurisdictions in Congress is a real problem.

MR. HAMRE: Yeah.

MS. RICE: One of the hardest is bringing security and development together for instance. Don Rumsfeld and I were able to create something called 1206 and 1207 authorities for the secretary of state and the secretary of defense.

MR. HAMRE: Next question.

MS. RICE: And the idea was, first of all, there's a huge defense budget. And despite the wonderful, welcome views of my great colleague Bob Gates, the State Department budget is never going to look like the defense budget – department budget. It just isn't. And it is true that there are more people in military bands than in the Foreign Service, but that's probably not going to change either. (Laughter.)

And so the question is, how do you get the sort of logistical power of the Pentagon, the fiscal – the money strength of the Pentagon and, of course, the strategic direction of the State Department – (laughter) – together to call – to solve big problems? One of the problems is our budget cycles are really 18-month budget cycles. And when there has been a war in Lebanon and the Lebanese army is deploying to the south of the country and you want to support that, because you want Lebanon to be sovereign, where do you get the money to train the Lebanese forces? So we created these 1206, 1207 authorities. Every time there's a budget cycle, we had to go and fight for that authority, because it split monies across congressional jurisdictions. And that's the hardest problem that you can find yourself in, is trying to marry all of that together.

When we were trying to do reconstruction in Iraq, we needed help from the Agriculture Department. But of course, the Agriculture Department has its own masters in the Agricultural Committee. And so when we talk about bridging security, development and democracy, we have to find a way to do it in on Capitol Hill as well, which is where, of course, the actual budget authority rests.

MR. HAMRE: It's a big problem. It's a big problem, big, big issue.

GEN. JONES: But I completely agree. The – we are organized for a century that was much more logical and where things happened at a more measured pace. If you look at what's happened just in the last six months, you know, the – this – the pressures on those who work in the national security arena is just huge. We have got to find ways to become more efficient and to do things more quickly. It's part of the competitiveness aspect of things, because other people will find ways. And, you know, I think in the last six or seven years of my years on active duty, I kept hearing, you know, a refrain in different capitals that have said, you know, we really, really like you. We really like the United States and what it stands for. And thank you for telling us what we need to do, and we also thank the Chinese for giving it to us. (Laughter.) Or, you know – or you – we would love to buy your technology, but you put so many strings on it that we can buy it from Israel or France or some other country. So we can't keep talking about this. These are – these are – these are facts that are before us.

Korea, one of the great success stories of American foreign policy, a country that is now, I think, the 12th largest economy. In the next few years it will pole vault into the number eight or nine slot. We've lost – we've gone from 22, 23 percent of market share in South Korea to about, you know – we're in the teens now. China has gone from 7 percent to 17 percent. A lot of it has to do – is simply – is because it's – we're hard to deal with. We have structures that were put in place for another century, and I think it's going to take an executive branch, legislative branch special task force or whatever to try to figure out how do we – how do we – how do we take

down these barriers that keep us from being able to do the things that we know we need to do and to them quickly and efficiently.

MR. HAMRE: And if I again may embroider on your very good answers already, we have a bad habit of thinking that we still are the only reservoir of talent in the world and people have to come here.

GEN. JONES: (Inaudible.)

MR. HAMRE: Boy, that ain't true. I mean I – you know, you fly from Beijing Airport to Los Angeles and you feel like you've gone to a third-world country. I mean, this is embarrassing, what we've done here. So we better wake up, folks. I mean – OK, I'm way off my – and shouldn't be saying things like this.

But let me just -- we're at the end of the window. And let me just turn to see if there are any concluding thoughts that either of you want to share with us here, because there – you're – this is an effort we're going to spend the next three years on. This is an effort for the next year, this year. We want to harvest all of the good ideas that are out in the world. I mean, there's not a problem that the world has that hasn't been solved some place. We just don't know it yet, you know. So we've got to try to figure that out and all the people who are working on it. So this is the front end. This is the kick-off for this effort.

Do you have any words to guidance as we do this?

GEN. JONES: Well, you know, I think it's a – it's a moment of tremendous opportunity. And we have some choices to make. We can either sit back and, you know, be content with the world as we think it is and we'll become spectators to a rapidly changing 21st century, or we can do the things that we have to do, that Americans have always done, to diagnose the problem, understand the environment that we're in, adjust what we need to adjust and compete, and compete very well. And if we – if we – if we shape ourselves in that direction, I think we'll be – we'll be just fine.

I think it remains to be seen, though – and to thank Chevron a little bit – but energy is a – is one of the areas that where the United States, and perhaps only the United States, is not only one of the biggest consumers but also we have within our borders one of the greatest reservoirs of global energy. So if we can help, for example, the underdeveloped countries to skip over the pollution stage in their – in their economic development, that will involve transferring technology and sharing technology. We can lead in that.

We can help with this next generation of young people who want to be led differently, who want transparency in their government and want more democracy in their lives and more choices for themselves and their children. These aspects of global development are things that this country – and only – perhaps only this country can take on and can help make the world of the 21st century a much – a much safer place. And I think it's a very exciting challenge, and I'm very optimistic that we can do this. The problems are huge, but the opportunity is tremendous.

MS. RICE: Well, I'd just like to close by again thanking you for taking on this important issue. I do think it is – development is a matter of national security worldwide for all the reasons that we've talked about.

I would just say that I think the debate in the United States is going to be tough, as you suggested, about this, because our country isn't feeling very optimistic and very confident right now. And the challenge is going to be for Americans to feel optimistic and confident enough to believe that if we really do engage the world, that we can do so on terms in which we can succeed. That comes back to a lot of problems of internal repair that we have, problems of getting our own fiscal house in order, problems of reaffirming some of the principles that made us the leader, like free trade, for instance. After all, Korea has free trade agreements with just about everybody but us. We'd better pass it. We'd better pass it for Colombia and Panama as well. There's no reason not to. And one thing that the United States did when it had more than 50 percent of the world's GDP after World War II was, it advocated for free trade. And we grew as a result. And our voice has got to be heard in that.

It will also help poor countries, by the way, because nothing helps poor countries come up and prosper than a system in which their products can be sold, and so we have to reaffirm some of those things.

I think we also has – we also have, as Jim mentioned, some problems of competitiveness that come not just from our – from how hard it is to trade in technology and the like, although that is a problem.

But, you know, increasingly, we've lost sight of a couple of things that have also made us special. I just ache when I hear some of the arguments about immigration. When did immigrants become the problem for the United States? They've always been an answer. And somehow we've got to reaffirm ourselves as an immigrant country.

And if you don't mind, I have to say something about what has really been my passion, which is the desperate state of our K-12 education system, where I can look at your zip code and tell whether or not you're going to get a good education. Well, you know, that's just not American. And so I think some of the drain on our collective psyche is just a sense that we are not paying attention to these very core strengths.

And that brings me to my final point. The American people have to recognize that our great responsibility is that we are a part of a country that's special. It's not just any other country. And it's – I didn't say better necessarily, but special. And part of that specialness, at least for the last several decades, has been to recognize that our interests are broader than our narrow day-to-day concerns. Our interests are best served by an international system that is more peaceful, more prosperous, more developed and more democratic. And we've always done better when the world looks that way. And in a time when we're not feeling very confident, maybe that's a hard message to deliver. But I think that the American people can be brought along on that, and I think the work that you're going to do is going to help them to see it.

MR. HAMRE: You know, I – this – a lot of this goes back to a conversation I had with Steve Green when we were first exploring this. And I asked him, I said, what do you want out of

this? You know, I'm trying to figure this out. And he said, well, what we want are – around the world, we want healthier people, healthier societies, healthier countries. You know, and I said to myself, Jesus, that is the development agenda. That – there's nothing in that statement that a government development person doesn't want. There's nothing in that statement that a private sector person doesn't want. There's nothing in that statement that doesn't unite liberals and conservatives, humanitarians and national security – (word inaudible). It's about that. This is not an issue that ought to divide us. It ought to be an issue that brings us together in a great, great new campaign.

This has been a fabulous morning. We thank you both. (Applause.) I want to say thank you, thank you – (inaudible). And thank you all for coming. And I just wish you were all members of Congress – (inaudible).

(END)