THE BROOKINGS INSTITUTION

# "A DEFINING TIME FOR 21ST CENTURY AMERICAN LEADERSHIP"

SPEAKER:

U.S. Senator Chuck Hagel

Friday, July 28, 2006

The Brookings Institution
Falk Auditorium
1775 Massachusetts Avenue, N.W.
Washington, D.C. 20036

Anderson Court Reporting
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

P R O C E E D I N G S

MR. PASCUAL: Good morning. My name is Carlos Pascual. I'm pleased to welcome today to the Brookings Institution. I am the vice president and the director of the Foreign Policy Studies Program. I'd like to welcome you here as well on behalf of Strobe Talbott, our president, who, unfortunately, is not in Washington today but asked for us to extend his best regards to Senator Hagel.

We're extraordinarily pleased to be able to host Senator Hagel today at this 90th Anniversary Leadership Forum, which is a series that the Brookings Institution has been sponsoring and, as would seem obvious, is a celebration of 90 years that Brookings has been planning and sponsoring of the public debate on policy issues to be able to inform and strengthen the conduct of American policy — both domestic policy and international policy.

Senator Hagel is well known throughout the nation and the Washington community. He is Nebraska's senior senator. He is on four different committees, including the Senate Foreign Relations Committee; the Banking, Housing, and Urban Affairs Committee; the Intelligence and Rules Committees.

One of the things that has certainly characterized Senator Hagel is his recognition that in the globalized environment it is in the interest of the United States to engage in that environment and to help shape the course of events. And I would say that Senator Hagel has not taken a bipartisan perspective; in fact, I would actually inject a Brookings perspective on this, that he has taken a nonpartisan perspective on the conduct of

foreign policy, which essentially has been to ask the question what is the right approach to advance U.S. national interest in global peace and security and then to figure out what the right answer is. Rather than asking the question how should Democrats or Republicans respond, it has been what is best for the United States.

In that context, he has been consistently involved in promoting betters rules of the game, such as support for chemical weapons treaty, a comprehensive test ban treaty. He has supported the use of force when it has been prudent, as he did in Kosovo, but he has consistently also advocated the importance of partnership arrangements, and I just would quote from an article he did in Foreign Affairs where he says that "U.S. policy should not be ruled by a sense of divine mission but should inspire allies to work with us on making a better world."

On a personal note, one of the things that I would say is that Senator Hagel has consistently focused on the importance of looking ahead. When I was the American ambassador in Ukraine, he came to visit in August of 2001. Ukraine was not making the headlines in those days, but one of the reasons he came out there was a recognition that this country could play a critical role and evolve in Europe and that it was beginning to enter a period of an electoral process, and he, with me, had one of the first conversations that we had with President Kuchma at that time on the importance of creating space for civil society to in fact be able to start to shape and change Ukrainian society. And, indeed, it was that process which was begun in those conversations let led to better elections in Ukraine in March of 2002, and we're very much the seeds of what we saw demonstrated in

the Orange Revolution in November of 2004, and it was one of those demonstrations of an act of looking ahead and doing it an extremely low key with tremendous impact.

Today we unfortunately have in front of us an incredible panoply of issues that has to be dealt with — the crisis that we're all seeing on the front pages with Lebanon and Israel with the Palestinian territories, but then again there's still Iran and Iraq and the issues of North Korea. And it's in this context of crisis when so many of these issues have come together that it is absolutely critical that we not panic in the conduct of policy but that we step back and are able to analyze and make recommendations on how to most effectively advance U.S. national interests and peace and prosperity in the world, and it's in that context that we are extremely lucky to have this opportunity to listen to Senator Hagel.

Senator Hagel.

SENATOR HAGEL: Thank you.

Carlos, thank you. I am grateful for your continued leadership and involvement in world affairs.

He may have exaggerated just a bit about my role in the Ukraine. I have never taken any credit for leading the Democratic effort there. Actually what I remember as much as anything about that visit was the ambassador took me to a spectacular Ukrainian restaurant, and I remember he ordered his favorite wine, which was quite tasty, and we got him out of there before he created an international incident. But aside from that, he was a very effective ambassador. We do appreciate —

(Laughter)

SENATOR HAGEL: I'll try to say something nice or I'll hear about it. I've tried to also be truthful, Carlos.

(Laughter)

SENATOR HAGEL: I'm grateful for, as I noted, not only your continued influence and effort and leadership in our country's affairs, but certainly Brookings Institution has played that role as effectively as any institution in the history of our country, and I want you to please give my regards to Secretary Talbott, and I know he is away under less-than-pleasant business and give my sympathy to his family.

I note two of the foremost experts in this business sitting in the front row who have a little something to do with this Institution — Martin Indyk, who has spent some years on this issue that we will talk a little bit about today, as well as Ken Pollack, who is a noted writer, observer, historian, commentator, teacher — good husband I'm told — whatever else that we can say about him. So, thank you, gentlemen, for your efforts and allowing me to be part of this 90th Anniversary leadership forum celebration.

As we recognize the 90th Anniversary of the Brookings Institution, it is instructive to reflect back on the world of 1916 when Brookings was born, then known as the Institute for Government Research. In 1916, the world was in a period of wrenching and bloody transition. War raged in Europe. It was a war triggered by a series of tragic misjudgments stemming from decades-old resentments and shifting European alliances. It was a war fueled by the Industrial Revolution, the most deadly war the world had ever

known. Within one year, the United States would shake off its historic isolationism and engage in its first global conflict.

The Treaty of Versailles brought an end to the fighting, but it did not bring resolution. The United States retreated from a position of world leadership, and back into its shell of irresponsible isolationism the world economy collapsed and lingering global resentments continued to heighten. Roughly twenty years later harsh post-war reparations and arrogant nationalism gave rise to an even deadlier period of global transition: World War II.

America's leaders following World War II learned from the failed and dangerous policies of the first half of the 20th century. After World War II, the United States became the indispensable global leader. Along with our allies, we created organizations of global interest and common purpose, like the United Nations, the General Agreement on Tariffs and Trade (now the World Trade Organization), NATO, the World Bank, the International Monetary Fund, and dozens of other multilateral institutions. Leaders like Truman, Marshall, Acheson, Hull, Vandenberg, and Eisenhower led in the rebuilding of Europe and Japan.

Ninety years after the creation of the Brookings Institution, we live in a different world, but once again a world in transition. The lessons learned after World War II still apply. American leadership is still indispensable in the world, and the institutions and alliances formed after World War II are as vital today as when they were formed right after World War II.

For decades, the United States used its power and influence to help forge international consensus on vital issues. America's leadership inspired the trust and confidence of a generation of governments and nations around the world because we pursued common actions that reflected common interests with our allies, because we remained committed to global engagement, and because we exercised our power with restraint. We made mistakes. It was imperfect. There were differences with our allies. But despite the imperfections and shortcomings, the United States and its allies contributed to world stability and the spread of freedom and prosperity.

Today, the world and America are in deep trouble. In a speech before the Council on Foreign Relations last November, I warned that the world's trust and confidence in America's purpose has seriously eroded. America is increasingly not seen as the well-spring of consensus that for decades helped create alliances and coalitions grounded in common objectives and common interests.

This is in contrast to a very troubling trend toward isolationism that is now emerging in America today, a trend that was reflected in this week's *New York Times*/CBS News poll of Americans about our country's role in the world. This trend is a looming concern that may not be obvious but is manifest across seemingly unconnected events and issues. We must avoid the trap of limiting our power by allowing ourselves to become isolated in the world. America must not allow itself to become isolated through mindless isolationist remedies to difficult and complicated problems.

In the 1930s, the threat of Adolph Hitler's Nazi Germany was not taken seriously. Most did not recognize this threat until World War II was upon them. But there was a voice sounding an alarm. Throughout the 1930s, Winston Churchill urged his countrymen and Europe to see the world through the clear lens of reality, not through the fogged lens of misplaced hope. On October 3, 1938, the House of Commons debated the Munich Agreement that Prime Minister Chamberlain had negotiated with Hitler. Many saw this agreement as the assurance of peace with Germany. Churchill disagreed. He said: Can we blind ourselves to the great change which has taken place in the military situation, and to the dangers we have to meet? This is only the beginning of the reckoning. This is only the first sip, the first foretaste of a bitter cup which will be proffered to us year by year unless by a supreme recovery of moral health and martial vigor, we arise again and take our stand for freedom as in the olden time.

Today, there is no such threat to world order. Global threats today are less defined than Hitler. However, the threats are more insidious today, more difficult to comprehend and frame and identify, yet more interrelated, more dynamic, and more dangerous. In the 21st century, we are confronted by a universe of challenges, threats, and opportunities unlike any that we have ever known. The margins of error for miscalculations are far less than ever before. Dramatic shifts in security, stability, and prosperity can occur in weeks or even days.

On April 16, 1953, President Dwight D. Eisenhower delivered a speech before the American Society of Newspaper Editors that we now know as the "Chance for

Peace" speech. In the aftermath of the death and destruction of World War II and the ongoing war in Korea, the world was then confronted with the threat of the Soviet Union and communism. A different time. A different generation. Yet, Eisenhower's words and wisdom still ring true today. He said:

No nation's security and well-being can be lastingly achieved in isolation but only in effective cooperation with fellow-nations.

Just as Eisenhower said in 1953, America's security, prosperity, and freedom cannot be separated from the dangers, challenges, and opportunities abroad today. There are no national boundaries from terrorism, proliferation of weapons of mass destruction, pandemic disease, environmental degradation, and despair. No nation, unilaterally, possesses the power to defeat the threats of the 21st century. A global society underpinned by a global economy is our world today. The world's problems and dangers are interconnected. Nowhere are these realities clearer than in the Middle East today.

The Middle East is a region in crisis. A continuous and escalating volley of violence has the potential for wider regional and global conflict. Centuries-old religious, ethnic, and tribal hatreds and tensions are being manipulated by Islamic extremists for their own unholy purpose. The Middle East is today as combustible and complex as it has ever been. More than fifty percent of the world's proven oil and natural gas reserves reside in this troubled land at a time when the world's six and a half billion people rely on these resources in an interconnected world economy. Uncertain popular support for regime legitimacy continues to weaken governments of the Middle East. Economic stagnation,

persistent unemployment, deepening despair, and wider unrest enhance the ability of terrorists to recruit and succeed. An Iran with nuclear weapons raises the spectre of broader proliferation and a fundamental strategic realignment in the region, creating more regional instability.

America's approach to the Middle East must be consistent and sustained and must understand the history, interests, and perspectives of our regional friends and allies.

The United States will remain committed to defending Israel. Our relationship with Israel is a special and historic one. But it need not and cannot be at the expense of our Arab and Muslim relationships. That is an irresponsible and dangerous false choice. Achieving lasting resolution to the Arab-Israeli conflict is as much in Israel's interest as any other country in the world.

Unending war will continually drain Israel of its human capital, resources, and energy as it fights for its survival. The United States and Israel must understand that it is not in their long-term interests to allow themselves to become isolated in the Middle East and the world. Neither can allow themselves to drift into an "us against the world" global optic or zero-sum game. That would marginalize America's global leadership, trust, and influence; further isolate Israel; and prove to be disastrous for both countries as well as the region.

It is in Israel's interest, as much as ours, that the United States be seen by all states in the Middle East as fair. As fair. This is the currency of trust.

Israel, Lebanon, and the Palestinian territories have experienced devastating violence in the last couple of weeks. The world has rightly condemned the despicable actions of Hezbollah and Hamas terrorists who attacked Israel and kidnapped Israeli soldiers. Israel has the undeniable right to defend itself against aggression. This is the right of all nations.

Hezbollah is a threat to Israel, to Lebanon, and to all those who strive for lasting peace in the Middle East. This threat must be dealt with as Israel's military operations continue to weaken Hezbollah's capacity for violence.

However, military action alone will not destroy Hezbollah or Hamas. Extended military action will tear apart Lebanon, destroy its economy and infrastructure, create a humanitarian disaster, further weaken Lebanon's fragile democratic government, strengthen popular Muslim and Arab support for Hezbollah, and deepen hatred of Israel across the Middle East. The pursuit of tactical military victories at the expense of the core strategic objective of Arab-Israeli peace is a hollow victory. The war against Hezbollah and Hamas will not be won on the battlefield.

To achieve a strategic shift in the conditions for Middle East peace, the United States must use the global condemnation of terrorist acts as the basis for substantive change. For a lasting and popularly supported resolution, only a strong Lebanese government and a strong Lebanese army, backed by the international community, can rid Lebanon of these corrosive militias and terrorist organizations.

President Bush and Secretary Rice must become and remain deeply engaged in the Middle East. Only U.S. leadership can build a consensus of purpose among our regional and international partners.

The Rome meeting of the Lebanon core group this week must be the beginning of a very intensive diplomatic process at the highest levels, with the objective of ending the military conflict now, securing the Israel-Lebanon border, and invigorating the political track. To lead and sustain U.S. engagement, the U.S. President should appoint a statesman of global stature, experience, and ability to serve as his personal envoy to the region who would report directly to him and be empowered with the authority to speak and act for the President. Former Secretaries of State Baker and Powell fit this profile.

America must listen carefully to its friends and partners in the region. Saudi Arabia, Egypt, Jordan, and others, countries that understand the Middle East far better than we do, must commit to help resolve today's crisis and be active partners in helping build a mechanism to move toward realizing the already agreed-upon two-state solution.

A robust international force deployed along the Israel-Lebanon border will be required to facilitate a steady deployment of a strengthened Lebanese army into southern Lebanon to eventually assume responsibility for security and the rule of law. The U.N. Security Council should negotiate a new binding resolution that strengthens its demands to disarm militias and to remove Syrian influence from Lebanon that were made in U.N. Security Council Resolution 1559 and further commit the international community to help Lebanon rebuild its country.

The core of all challenges in the Middle East remains the underlying Arab-Israeli conflict. The failure to address this root cause will allow Hezbollah, Hamas, and other terrorists to continue to sustain popular Muslim and Arab support, continuing to undermine America's standing in the region and the governments of Egypt, Jordan, Saudi Arabia, and others whose support is critical for any Middle East resolution. We don't need to look much beyond the front page of the *New York Times* today to get some sense of the direction of where this is going with popular support in the Middle East.

The United States should engage our Middle East and international partners to revive the Beirut Declaration, or some version of it, proposed by King Abdullah of Saudi Arabia and adopted unanimously by the Arab League in March of 2002. In this historic initiative, the Arab world recognized Israel's right to exist and sought to establish a path toward a two-state solution and broader Arab-Israeli peace. Even though Israel could not accept this proposal as written, it represented a very significant "starting point," a starting point document initiated by Arab countries. Today, we need a new Beirut Declaration-type initiative. We squandered the last one.

The concept and intent of the 2002 Beirut Declaration is as relevant today as it was in 2002. An Arab-initiated Beirut-type declaration would reinvest regional Arab states with a stake in achieving progress toward Israeli-Palestinian peace. This type of initiative would offer a positive alternative vision for Arab populations' alternative vision to the ideology and goals of Islamic militants. The United States must explore this approach as part of its diplomatic engagement, which has been missing in the Middle East.

Lasting peace in the Middle East and stability and security for Israel will come only from a regionally oriented political settlement.

Former American Middle East envoy Dennis Ross once observed that in the Middle East a process is necessary, because process absorbs events. Without a process, events become crises. He was right. Look at where we are today in the Middle East with no process. Crisis diplomacy is no substitute for sustained, day-to-day engagement.

America's approach to Syria and Iran is inextricably tied to Middle East peace. Whether or not they were directly involved in the latest Hezbollah and Hamas aggression in Israel, both countries exert influence in the region in ways that undermine stability and security. As we work with our friends and allies to deny Syria and Iran any opportunity to further corrode the situation in Lebanon and the Palestinian territories, both Damascus and Tehran must hear from America directly.

As John McLaughlin, the former Deputy Director of Central Intelligence, recently wrote in *Washington Post*, and I quote:

Even superpowers have to talk to bad guys. The absence of a diplomatic relationship with Iran and the deterioration of the one with Syria — two countries that bear enormous responsibility for the current crisis — leave the United States with fewer options and levers than might otherwise have been the case. Distasteful as it might have been to have or to maintain open and normal relations with such states, the absence of such relations ensures that we will have more blind spots than we can afford and that we will have to deal through surrogates on issues of vital importance to the United States. We will have to get over the

notion that talking to bad guys somehow rewards them or is a sign of weakness. As a superpower, we ought to be able to communicate in a way that signals our strength and self-confidence.

Ultimately, the United States will need to engage Iran and Syria. They will need to engage Iran and Syria with an agenda open to all areas of agreement and disagreement. For this dialogue to have any meaning or possible lasting relevance, it should encompass the full agenda of issues.

There is very little good news coming out of Iraq today. Increasingly vicious sectarian violence continues to propel Iraq toward civil war. The U.S. announcement this week to send additional U.S. troops and military police back into Baghdad reverses last month's decision to have Iraqi forces take the lead in Baghdad and represents a dramatic setback for the United States and the Iraqi government. The Iraqi government has limited ability to enforce the rule of law in Iraq, especially in Baghdad. Green Zone politics appear to have little bearing or relation to the realities of the rest of Iraq.

The Iraqis will continue to face difficult choices over the future of their country. The day-to-day responsibilities of governing and security will soon have to be assumed by Iraqis. As I said in November, this is not about setting a timeline. This is about understanding the implications of the forces of reality. This reality is being determined not by Americans but by Iraqis. America is bogged down in Iraq, and this is limiting our diplomatic and military options. The longer America remains in Iraq in its

current capacity, the deeper the damage to our force structure, particularly the United States Army, and it will continue to place more limitations on an already dangerously over-extended force structure that will further limit our options and public support.

The Cold War, while dangerous, created a fairly stable and mostly predictable world. That is no longer the case today. The challenges of the 21st century will be more complex and represent a world of greater degrees of nuance, uncertainty, and uncontrollables than those of the last sixty years. America's policy choices will be more complicated than ever before.

We must be clear in our principles and our interests, with friends and foes alike. But framing the world in "absolutes" constrains our ability to build coalitions and alliances, alienates our friends, alienates our partners, and results in our own isolation. No country will view its interests as coinciding exactly with ours, nor will countries simply subsume their national interests to maintain relations with America. U.S. policies that are premised on such assumptions will be flawed, with little likelihood for success, and ultimately will work against our national interests.

In pursuing our objectives, America must always be mindful of the risks of sudden change and the dangers of unintended consequences. Rarely will America succeed if its actions seek to impose its objectives on others or achieve change and reform through power alone. America is always strongest when it acts in concert with friends and allies. This approach has enhanced our power and magnified our influence. The Middle East and other regions of the regions of the world have been left behind, and they have not

experienced the political and economic reform that many other regions have enjoyed over the last sixty years.

The Middle East crisis represents a moment of great danger but is also an opportunity. Crisis focuses the minds of leaders and the attention of nations. The Middle East need not be a region forever captive to the fire of war and historical hatred. It can avoid this fate if the United States pursues sustained and engaged leadership worthy of its power, its history, and its purpose. America cannot fix every problem. We cannot engage every problem in the world, nor should we try. But we must get the big issues and the important relationships right and concentrate on those. We know that without engaged and active American leadership the world is more dangerous.

When President Franklin Delano Roosevelt delivered his State of the Union address on January 6, 1945, he counselled the United States and the world to look beyond the immediate horror of war to the challenges and opportunities that lay ahead. Roosevelt understood the requirements of U.S. leadership and the essence of alliances and partnerships, and he said:

We must not let those differences divide us and blind us to our more important common and continuing interests in winning the war and building the peace. International cooperation on which enduring peace must be based is not a one-way street. Nations like individuals do not always see alike or think alike, and international cooperation and progress are not helped by any nation assuming that it has a monopoly of wisdom or of virtue.

Over the last sixty years since Roosevelt's remarks, the United States has been a force for peace and prosperity in the world. Decades of investment in geopolitical security, economic stability, political freedom, innovation, and productivity have resulted in a 21st century of both cooperation and competition. This is a defining time for 21st century American leadership. With enlightened American leadership, this century offers the world the prospects of unprecedented global peace, prosperity, and security if we are wise enough to sense the moment, engage the world, and share a nobility of purpose worthy of all mankind.

Thank you very much.

(Applause)

MR. PASCUAL: Senator, thank you very much. If agreeable to you, we would love to have a bit of a period of questions and answers.

SENATOR HAGEL: Absolutely.

MR. PASCUAL: And you can either take them from there or you can sit down, whichever is more comfortable.

SENATOR HAGEL: Fire away. Do you want me to just —

MR. PASCUAL: What I might do is go around the room and call on people, and if it would be okay with you what I would suggest is that I'll ask — I'll take three questions at a time and give you an opportunity to answer them in groups. That way we'll give ourselves a little bit more time to get a number of different views on the table.

Let me ask you to introduce yourselves as you ask your questions. Over here?

MR. REINHART: Hi, my name is Adam Reinhart, and I work for the U.S. Agency for International Development in the Middle East Regional Cooperation Program.

First of all, let me thank you for an excellent speech. You seem to understand some of the nuanced issues within the region. The question I have you — and I have generally speaking — is it seems like of the five billion dollars approximately minus the money for Iraq that we spend in regional programs within the Middle East in all accounts, only less than one percent of that is actually spent on cooperative activities. The vast majority of that money is spent directly on bilateral assistance, U.S. government money to one country rather than working within the region. I work on the largest program in that portfolio of cooperative programs, and our budget is only five million dollars a year. What we're able to accomplish with that is amazing. I mean, I've watched Israelis and Palestinians sing karaoke together in a bar in Cypress, and they get together. We regularly bring graduate students into Israel. We even have projects with Israel and Lebanon on the same grants (inaudible) a state of war now, and they have been formerly in a state of war for a long time. My question to you is — especially considering the new transmission diplomacy framework being produced now that does focus even more on bilateral assistance rather than regional assistance — is there anything that we can do to sort of highlight your point about not isolating Israel from the region in trying to encourage more

cooperation between the countries, which, as you know, helps bring about peace, I think, as well as (inaudible) cooperative development? Thank you.

MR. PASCUAL: Let me take two more questions, and let me also ask people to keep the questions directed and short, please.

Martin?

MR. INDYK: I actually have three questions, but —

SENATOR HAGEL: Actually, you should answer them all, Martin.

MR. PASCUAL: He might call you up here to answer if you ask too hard a question.

MR. INDYK: Senator Hagel, first of all thank you very much for honoring us with your presentation today, which I, too, thought was a very coherent and compelling presentation.

But as I was thinking about it, I was wondering whether you could expand on a couple of points that you made there. You said that the solution to the Lebanese crisis required a strong Lebanese government. You could have said, I'm sure you would agree, that the solution to the Palestinian crisis requires a strong Palestinian government. But how do you get that, and if it means an international force that goes to the south with the Lebanese army, how do you get Hezbollah to go along with that? It seems to me the biggest question (inaudible).

And related to that is the question of what do you say to the students when you engage with them? Because there's the complication that the Syrians aren't in Lebanon

any more, and they're not in Lebanon because a million Lebanese told them to go. How do you engage with the Syrians without betraying those million Lebanese, creating the sense that in fact you're asking Syria to intervene again and Lebanon to control Hezbollah?

MR. PASCUAL: One more question. In the middle, Steve?

UNIDENTIFIED SPEAKER: Senator Hagel, thanks as well for a very inspiring and, unfortunately, very sober speech. Yesterday you were unable to attend the Foreign Relations Committee hearings on John Bolton, and it occurs to me that Ambassador Bolton probably does not share the same level of concern you do that the world's trust and confidence in America's purpose is eroding, and I'm interested — while I agree with virtually every word that you said in your speech, I'm interested in how you maintain support for Ambassador Bolton, his confirmation process, when he seems to be so at odds with the spirit of what you talked about today.

MR. PASCUAL: Three easy questions.

SENATOR HAGEL: From now on no smart people can ask questions. It's a rule senators usually follow.

(Laughter)

MR. PASCUAL: Well, (inaudible) your hearings that way.

SENATOR HAGEL: Well, you've been there, Carlos, you know, as many of you —

Let's take the question on Ambassador Bolton. I was not there, and I think your analysis of where he would be in regard to my observations and thoughts presented in

the speech I suspect are about right. I've never engaged Ambassador Bolton on some of the specifics that I have presented here this morning.

But — get to the heart of your question, which is a good question, I would answer this way. I have not decided, if Mr. Bolton comes up for vote, how I will vote. I had supported his nomination in committee prior, which, as you know, was reported out but never got a vote on the floor because the votes weren't there, and I have generally taken the position — I've done this in the ten years that I've been in the Senate whether it's a Democratic President, like when I first came to the Senate, President Clinton was in office, or a Republican President — that Presidents deserve their people and if the President has confidence in that person and that person is qualified and not under indictment or detox or any other considerations, then generally I would have supported the President's nominee, and I think only maybe one or two times in ten years I've not done that.

In this I case I want to revisit Mr. Bolton's performance. I think, just as you have noted, if I actually believe what I have said, and I do, then there appears to be, at least in your mind, some disconnect in how I could support Bolton.

And I guess fair question, and I do think the United Nations is a very important institution. I think it is as important today as maybe it's ever been, and I think America needs to have a standing there. It needs to have relationships there, and it needs to be seen not just as the biggest donor nation, but we need to do more than that. I recognize there are differences of opinion just as I have stated in here, just as Franklin Roosevelt spoke about that sixty years ago, and I don't think we've done a very good job of factoring

those differences into our policies and our relationships. That's partly why I think we're in trouble in the world.

So, bottom line answer to your question is I haven't decided yet how I'll vote on Mr. Bolton.

As to Ambassador Indyk's points and questions, I recall, Martin, in December, as you do, in December of 2000 when you all were very close, and I was in the Middle East at that time and I was leaving my hotel room in Damascus, and I'm one of the senators who actually does go to Syria, and I got a call from Colin Powell wanting me to talk to you on Israel, on my trip to Israel as I was going to (inaudible) after I left Syria, and also that call informed me that the decision had been made that Governor Bush was going to be the next President of the United States. And I will never forget us walking out of the prime minister's office that afternoon and talking about where we were in the transition and the Clinton administration still very hopeful, as we all were, that something in fact could be bolted together there at the last minute, which you all worked on right up until the end, and it didn't work.

That has stuck in my mind, Martin, since that day every time I think about the Middle East or work through it in my own mind or prepare to write a speech as I have done here. And it relates to your question this way, because I had just come from Syria when I was told of the decision.

First, I don't think there can be any expectations on how we would be able to persuade or incentivise Syria or any other nation to see a point of view that would be in the

interest of not only the United States, Israel, and the Middle East but certainly of Syria unless we engage it. The fact is we pulled our ambassador out of Syria, as you know, a year and a half ago. We have an embassy, yes. We have diplomatic relations in Syria. Syria has an ambassador here, but we have no ambassador in Syria. So, I think I understand diplomacy a little bit, but I don't know how you can have diplomacy without actually talking to people, without actually engaging with people, actually — just as John McLaughlin said, what do you think are bad guys, good guys — someone has to connect you. And just as John McLaughlin said, using third-party surrogates to try to fit a policy together or determine decisions that frame a policy or instruct a policy or direct a policy is not a very good way to do it. I mean, my goodness, we are the most powerful nation on earth, and I don't think you can tiptoe around these things.

I think Syria has to be engaged. If we do not engage them, then I don't see any hope of being able to pursued them, incentivise them, talk to them on any basis as to why they would cooperate — to the heart of your questions. Yes, it would be difficult, but diplomacy is about difficult work — intense, focused, hard, hard work. It isn't about photo ops. It's not about flying to a country for 24, 48 hours and then flying back out and saying we're with you. And then it just unravels again. That's what's happened. I don't blame the United States totally for this. There's enough blame to go around. There's enough blame to go around. But the United States has not been engaged, and we are the only nation in the world who can lead this, as I have said and I've said many times on Iran. I have been one who advocated talking to Iran, engaging Iran, and it can't be, in my opinion, on a sliver of

issues or some kind of segmented diplomacy. We'll talk about Iraq, but we're not going to talk all the rest, or we'll talk about the nuclear issue but we're not going to talk about Iraq or we're not going to talk about security agreements or anything else. That is not a brand of diplomacy I am familiar with. It is not diplomacy, quite frankly.

My whole point in spending so much time on this speech framing up what has happened in the world and understand the history of the world since the beginning of this institution was, hopefully, to get a point made that when we are successful we are engaged, when we are not engaged we are not successful and the world becomes more dangerous. That's what Roosevelt said. That's what Eisenhower said. That's what every great leader in the history of this country has said. That's what Bush 1 said. It's what Reagan said, Clinton said. And in the last sixty years every President has been engaged. We need to come back to that, because I do recognize the difficulty, as you have said. I don't have all the answers. I don't pretend to have all the answers. I've got few answers. But I do know that unless we get some control of this, just as your associate and friend, Dennis Ross, and you — the two of you probably spent more time on this than about anybody in this country — know that unless we have a process, a system, a mechanism, something that we can bolt onto all nations and work toward — we know what the resolution is. That's not the issue. This is a rare issue really. Who disagrees that the two-state solution is the solution? The Arabs say they agree. The Israelis say they agree. The United States agrees. The U.N. agrees. Russia agrees. China agrees. So why can't we get there? We're going to have to engage. It's tough. That's why I said, taking nothing away

from Secretary Rice — Secretary Rice has got, as you all know, especially in this room who have had a high-level government position — she's got the whole world that she's got to deal with in the Middle East day after day after day. The President can't do that. That's why I've said I think it's going to take some unique individual with global stature who is seen representing the President, reporting to the President — and there are very few of them around. I mentioned two I think could do the job, but there's aren't many, I don't think, that could qualify for that, and that's what I'm talking about a sustained diplomatic effort. I don't have to tell you and many in this room how tough this business is. This is tough.

Your point about cooperative programs, USAID. First, thank you for what you're doing. You are engaged, I think, in the essence of not only real diplomacy but effective diplomacy. You are framing and changing the world with what you're doing. What you are doing is what really makes the difference. You noted about the bar scenes. Carlos can tell you something about those.

(Laughter)

MR. PASCUAL: I started my career in USAID. That must be it, you know.

SENATOR HAGEL: A hell of a bartender.

But you know, you've seen it, you were there where the real shaping and molding begins.

We have a new generation in the world today. You all know that. Partly, I think, America's stature has eroded because of a new generation that has come on to the

stage that does not recall World War II, was not around and all the dynamics that flow into that. It's a new time, new world, new communications, and new priorities. And so those engagement programs, those cooperative programs that you are part of, in my opinion, are essential. We need to do more. We need to put more funding in them. They work. We know they work. More educational exchanges.

When you look around the world, many in the room, Carlos, and others who have devoted their lives to foreign service — and he could give a speech on this, many of you could — Art Hughes — so many of you could give a speech on the investment and the return on that investment that this country gets when we bring young people from other countries to our country to study or the cooperative assistance programs that you're talking about — the return on those investments is astounding. There is no other program in our government that has a return like those programs for all the reasons you know.

So, your other point about regional assistance rather than just country-to-country assistance — I think that's right. Obviously, each country has its own dynamic, its own personality, its own set of unique internal challenges. We know that. And so we have to pay attention to that, yes. But I would say — and I've said this for a long time — there will be no peace in the Middle East unless it's a regional peace, and I don't care what happens in Iraq. That isn't going to stop what's going on in Lebanon or the undercurrent or the core issue, as I noted in my speech, between the Israeli-Arab problem. It is all related. It is all woven into the same fabric. We're going to have to deal with it on a regional basis,

regional security, regional assistance. And I think that's part of the point that you were making, and I think you're right, and we need to find a better way to do that.

MR. PASCUAL: We might take three more questions, give you an opportunity to wrap those into any final comments you want to make.

We'll start right here up front.

MR. SALZBURG: John Salzburg, Washington Interfaith Alliance for Middle East Peace.

You made a number of principles. One is the importance of engaging in so-called bad guys, Iran and Syria. You made the point of avoiding absolutes. You made the point of not relying on power alone. And you made the point of being engaged. With respect to the Israeli-Palestinian conflict and the democratically elected Hamas government, would it not have been more fruitful for us to engage in negotiations with Hamas rather than instituting the sanctions which have done considerable harm to the Palestinian population in general, and would it not have been better to engage in those negotiations with or without the consent of the Israel government?

MR. PASCUAL: Straight back on —no, go ahead, in back of the — yes, right there, the lady standing up, right there.

FATIMA: All right, my name is Fatima. I'm a research fellow at the Open Society Institute. I'm also the congressional (inaudible) in the Yemen Embassy.

SENATOR HAGEL: I'm sorry, which embassy?

FATIMA: Yemen Embassy.

SENATOR HAGEL: Thank you.

FATIMA: Thank you very much for your presentation. I just wish that more participation from perhaps our embassies or, you know, broadcast to these people would probably reach a very — or would have a very positive impact on them.

Now, I've got a couple of quick comments. The first one is about Hamas, and you mentioned —

MR. PASCUAL: I do have to ask you to keep the comments —

FATIMA: Yes, very, very brief.

MR. PASCUAL: — limited and really focus on the question of —

FATYMA: Very, very brief.

The first is the International Crisis Group has had a policy document called Enter Hamas where they've suggested that it might be better to actually exploit Hamas, urge for actually being in a political environment and engaging in political dialog and exploiting its clear desire for international recognition and legitimacy rather than just calling it a terrorist organization and not dealing with it. And there is — while the West has every reason to withhold former dealings at the national level with Hamas at least until it pronounces attacks against civilians and drops its position to a two-state solution, but the current confused approach, which is boycotting Hamas while facilitating its electoral participation, seems to make no sense.

And the second question is also about the Lebanese crisis and Hezbollah. The Arab people seem to be a little bit confused about this approach. The American

government pressured Syria to get out of Lebanon and tried to very much ensure that Lebanon is a democracy and marching in a democratic process. However, in the same time, they don't want to interfere in ending the crisis or reaching a cease fire, and I think that the Lebanese government should actually take control over Hezbollah. Why are they not perhaps assisting the Lebanese government to maybe crack down on Hezbollah or integrate with them and, you know, reach a dialog with the Lebanese government to assist them? Thank you.

MR. PASCUAL: And one final question all the way in the back, please.

MR. NUBER(phonetic): Thanks. My name is Nuber. Actually, I'm a graduate student from Arizona.

My question actually is given that all the issues right now have been focusing on the Middle East, what is the U.S. looking to do as far as their global image in the Congo — Democratic Republic of Congo — where you have — millions of people have died there —hasn't been the U.S. focus. And also solving the issue in Sudan and also Ivory Coast, because those issues are all coming to what you talked today about the U.S. image being leaders. I think the issue is — for me it is — a superpower has to know what to do and how we should approach country — dealing with country A's, B's, and C. The U.S. role in Africa hasn't been clear as far as throughout the European issues or the European countries, such as France and British. I know the colonial past is still lingering around, but what would you actually try the U.S. to do increase its influence in those issues. Thank you.

MR. PASCUAL: Senator, I would invite you to combine your responses in whatever way it makes sense to you on those three questions and leave us with any other thoughts (inaudible).

SENATOR HAGEL: Thank you, Carlos.

Thank you for the observations and questions.

I'll begin the question on Africa and some of the specific countries that are undergoing a terrible set of realities or in great despair.

One of the points I made in my speech was that — in fact more than once, if I didn't totally bore you — the absolute necessity of alliances in relationships, and I noted in the speech and in one of the answers to the question about the United Nations why I believe United Nations is as important today as its ever been. Even a great superpower, as I noted in my speech, as the United States cannot unilaterally solve all the world's problems. And we can't engage everywhere on every issue. Therefore, alliances, relationships — the United Nations, NATO — African Union is a new example of what is going to be, I believe, an indispensable institution for the future of Africa. And I was over on the west coast of Africa last year. Visited eight countries. Where we can be of most assistance, the United States, and we have played this role over the years and we need to sharpen it and this is why America's trust and purpose and the confidence in our leadership is so critical — we can bring these nations together through some form of consensus or common purpose, objectives. It will be imperfect; it will be flawed. We understand that. Always has been. That is the purpose that America can serve better, more uniquely, more

effectively than any nation on earth, because we do not have the resources to fix every problem. We just can't. So, the strength of an alliance, the strength of a multilateral institution is directly proportional to America's influence and enhancing the world in dealing with many of these problem areas in the world, like the nations in Africa that you have mentioned. We've been focusing more, obviously, on the Middle East today. And I think that is where we need to strengthen everything we can do. And as I have talked in my speech about that — and I have talked about how we do that and why it's important — the United States does have specific policies and should have, to your point regarding all nations, and should have relationships with these nations. And in some cases, as some of the countries you mentioned — Ivory Coast, Sudan, Congo — we do have various programs involved. Some are through NGOs; some are more direct assistance programs; some are through the United Nations. But, quite frankly, I think Africa has been the forgotten continent for many, many years. I think we're doing better, the United States government. I think we're putting more of a focus on our relationships there for many, many reasons. Africa represents not only an immense continent with immense resources and human capital, but it is an integral part of the 21st century and will become more and more so. We're going to have to pay more attention to Africa.

Taking that one kind of around into the question that was asked by the representative from the Yemen Embassy, let me note that it wasn't just the United States that used its influence to help get Syria out of Lebanon. It was the United Nations. It was clearly all nations involved in that. It wasn't just the United States' effort. Again, that

seems to me not only magnified but legitimized America's policy there and focus there and our effort there, that by bringing some consensus in the United Nations to make that — in fact, there's a resolution, and therefore that occurred. Not just because the United States was involved but all nations.

But to your bigger point, all of these issues are — I don't have the ability nor the wisdom to give you answers to any of them. But all these issues are going to have to be framed, it seems to me — and what I was talking about in my speech, how I answered some of the other questions — unless someone has a better idea, in these general regional forums and policies and structures. When you dig down into how do you deal with Hamas? Why shouldn't the United States deal directly with Hamas? It's a legitimate question, and I think we are going to have the United States do a far better job as we reassess these relationships. The fact is Hamas was fairly, freely, duly elected. And we talk about our commitment to democracies and to elections. Well, Hamas was elected, as was the Hezbollah representatives in the Lebanese parliament, as was the representatives from the Muslim Brotherhood in Egypt.

Now, we can't play on both sides of that fence. If in fact we believe that democracies are important and some of the administration believes democracies are the answer to everything, then we're going to have to abide by whatever those decisions are in those countries and the Palestinian authority and deal with the results.

So, I think we're going to have to recast our focus and our policy in many of these areas, and you bring up a specific area about why shouldn't we be dealing with

Hamas. It goes back to my point about Syria and Iran. I don't know how the world has gotten better. I don't know how the Middle East has become more stable or how things have improved in Iraq since we have not talked to some of these countries or these groups. Things have gotten worse. Things have gotten worse. By any measure. And so it tells me that we'd better take some serious review of our current policy. Something is not working. Something has been disconnected here. And that is the responsibility of a great power. And again I say we can't fix every problem. We can't make it rain. We can't impose peace. We have limitations. But I do know without alliances and structures it only gets worse. That's not a good answer to your question, but I don't know of a better way to say it.

The question regarding Hamas and Hezbollah that John asked — I would take some of the answer I used in answering your question and apply that to your question, John, starting with the fact that those three — Hamas, Hezbollah — were represented, are represented through an election. I recognize that the people — not all but many people — in the Palestinian territories and in the Arab world see Hezbollah and Hamas as a political organization, not as terrorists. I understand that. We have a difference of opinion on that. But I recognize that, and I think our government has to recognize those differences. I recognize why. I recognize why — because of the help, assistance, the social dynamic of what Hezbollah and Hamas does for people trapped in those areas. I don't necessarily agree with it all, but I understand it, and I think that's the reality that we're missing here in a good deal of our policy. So, it seems to me, again, it fits into the larger context of what I was talking about earlier in answering a lot of these questions that we are going to have to

frame our diplomacy, our engagement with a wider lens view of all these issues. And I talked — as you mentioned, I said — I talked about absolutes.

I'll be sixty years old in October, and I haven't seen a lot of life. I've seen a good amount. Had a lot of opportunities. I've seen a war up close. Seen a lot of different things. But I am not any standard for understanding the world, nor intellectually am I capable. But I will tell you one thing. In my sixty years rarely have I come across issues that are absolute. Rarely have I come across issues in my personal life or any other life when it is simple black or white. That's the way it is. In international affairs, I don't need to tell Joe Wilson or, again, other ambassadors here about the uncontrollables, unpredictables, the grey, hazy dynamic of international relations. That is what they are. Talleyrand I think once said — and now I'm really getting out of my league quoting Talleyrand, but — I would sound like Kissinger — but I think it was Talleyrand who once said that nations do not have friends, they have interests.

Is that right, Martin? Did he say that? All right.

Martin will know.

But that's right. Yes, we have friends. You know, we like Tony Blair. We like the Brits. Sometimes we like the French. It's — I like them all the time.

(Laughter)

SENATOR HAGEL: But we're not basing policy on friendship. No nation will. No nation does. You base policy on your interests, just like American business or an institution. And that doesn't mean you're ruthless or a bad person. That's just a fact of life.

And somehow I think we've missed some of this, or a good deal of it, as we have framed up our relationships.

Well, I have probably totally confused you, and it's a good time to leave.

(Laughter)

SENATOR HAGEL: But that's the purview of senators. We can confuse and speak. We have no responsibility and really don't do much actually.

(Laughter)

SENATOR HAGEL: But I am, once again, very grateful for an opportunity to share some thoughts. I am humbled that you would ask me to be part of this magnificent institution's celebration. I applaud what you do and continue to do, because it is very, very important. Brookings has been at the center of every national debate over the last 90 years. It needs to stay at the center of national debate, and all the smart people that you have coming in all the time — and I know you've got something at 12:30 coming in that Pollack and Indyk are going to run. Indispensable. Truly indispensable for all of us as policymakers for our country, for our people to better understand the issues. You know, we're not here to agree. That's not the point. The point is legitimate, enhanced debate on the issues based on fact. Not absolutes but based on the reality of fact at not only a dangerous time in the world, a time when America I think is in deep trouble. I think we're in very deep trouble. I think the world is in deep trouble. But I have every confidence that we will bring ourselves out of this. No American generation has ever failed our country. I don't think this generation will either. Thank you very much.

(Applause)

MR. PASCUAL: Senator, if I can just say one thing. One of the things you said in your talk was that crisis focuses the attention of leaders and that this is a defining time for American leadership. What you certainly did today was set the right example on setting the tone and putting forward American leadership at its best. Thank you very much.

* * * * *