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A PLAN FOR ACTION: RENEWED AMERICAN LEADERSHIP AND INTERNATIONAL COOPERATION FOR THE 21ST CENTURY

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Introduction:

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Administrator
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THOMAS PICKERING
Former U.S. Ambassador to the United Nations

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Closing Remarks:

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P R O C E E D I N G S

MR. PASCUAL: -- in his personal capacity has given us tremendous support, along with the support of the U.N. Foundation, the Ministries of Foreign Affairs of Finland and Norway, who have been great supporters throughout, the Rockefeller Brothers Foundation, the Hewlett Foundation, the MacArthur Foundation, the Ford Foundation, and in kind support that we've been able to get from the Bertelsmann and Ditchley Foundations, the Lee Kuan Yew School of Public Policy, and think tanks and partners in the United States and around the world.

A big thanks to so many members of the diplomatic community who are here today and participating in this session and have provided constant feedback and advice on some of this work.

I need to give great thanks to both the domestic and international advisory group that we have had as part of this project. And you'll see them on the left hand side of the column, as well as on the Action Plan, on the inside cover that you have of the Action Plan, a tremendously distinguished group of individuals who are some of the best practitioners in the world on foreign policy, international security policy, and global governance, and we are quite honored that they are willing to give their time to advise us on this project. And among those members of the advisory group are the panelists that we have today. And it's a

pleasure to be able to introduce them in the order that they're going to speak today.

First is Former Secretary of State, Madeleine Albright, someone who has given tremendous advice directly herself in a book called *The Memo to the President, How We Can Restore America's Reputation and Leadership*.

And then Javier Solana, the European Union's High Representative for Common, Foreign, and Security Policy. Javier is I think a personal incarnation of the world's most effective institution of global governance, namely himself.

And then Kemal Dervis, who is the Administrator of the U.N. Development Program. Many of you also know him from his role as Minister of Economy and Treasury in Turkey and his long career at the World Bank. And Kemal is also an author of a tremendous book called *Better Globalization, Legitimacy, Governance and Reform*. I should say he had the wisdom of having that published by the Brookings Institution Press, as well. And then Tom Pickering, Former Undersecretary of State for Political Affairs. And Tom really is sort of the icon of the American Foreign Service, having been an Ambassador in more places than anyone can imagine and carrying that knowledge around with him on a constant basis.

And finally Strobe Talbott, the President of the Brookings Institution, my boss, former Deputy Secretary of State, and author of another tremendous book called *The Great Experiment, the Story of Ancient Empire, Modern States, and the Quest for a Global Nation*. And he also happens to be my friend and has given us tremendous advice throughout this process, and all of them have just been amazing colleagues.

We are going to have a short presentation of some of the key themes in the Action Plan to create that as a foundation for the discussion. We'll then have the part that you really want, which is a discussion with our panelists, and have a session to interact among themselves, and then a Q and A session for the audience. It'll be I think a fairly full two hour program, but one that will be I think extremely interesting for everybody.

This project was a joint venture among Stanford and Brookings and NYU, in part because of its complexity and the nature of the goal that we set. We begin by looking at what kinds of recommendations are necessary to create and international order in the institutions that are going to bring about prosperity and security for the world over the next 50 years.

Bold as it is, we felt that it was – we had to pose this kind of challenge similar to the way such challenge was posed in the mid 1940's, if it was going to be possible to make progress on this front.

In undertaking this task, we consulted throughout the world. We had seminars and workshops in China, Japan, India, Europe, the Middle East, Mexico. We had the benefit of consultation with African colleagues here in the United States. And, of course, we had extensive consultations with groups throughout the United States.

In these discussions we had the opportunity to look in depth at the question of globalization and both its challenges and opportunities, and it's important to underscore both.

On the positive side, we need to remember that it has been access to global markets, for capital, and technology, and labor, as well as for the sale of goods and services that has lifted hundreds of millions of people out of poverty in India and China, has facilitated the emergence of new powers, has driven greater wealth than we have ever known on the planet, and has driven the development of new technology, which has been a driver of innovation and positive growth throughout the world.

Yet on the flip side of this has been the emergence of transnational threats, the dark side of globalization. We have seen, for example, in the financial crisis here in the world's strongest economy a

link to a recession that has moved globally throughout the industrialized world.

We have seen criminals trafficking nuclear weapons. We have seen global warming exacerbating a conflict over land and water and access to resources. And in this world, what we found through out research is that no nation can isolate itself from these problems, no nation can succeed alone, and national security has been intimately tied with global security.

And if the U.S. wants to secure its people and its interests in this type of international environment, it must learn to be able to govern in an interconnected world, and that means to exercise leadership through cooperation and to share a commitment with the rule on the rule of law with other nations, and to be able to invest with other nations in the institutions that can prevent and control and manage these crises. In this Action Plan, what we do is propose how we might be able to rise to this challenge. Our work required us to look the fundamental issues of sovereignty. This is not something that we set out to do, but we found constantly becoming a clash with the objectives that we had set out.

Those traditional precepts of sovereignty were founded on the precept that borders are sacrosanct, in a time and era when the

principal threats in the international community were great powers threatening one another across borders.

And what we see now is a world which is fundamentally different, in which we have transnational issues and problems that require us to reach across borders. And hence, even though we can get consensus, for example, that it's necessary to scrutinize the behavior of financial systems within countries, no country wants to be the first to volunteer itself to be scrutinized.

Even though the international community might reach agreement on the responsibility to protect, we have difficulty in establishing a capacity to protect in places like Darfur. Even though we all recognize that it's necessary to have the capacity to deal with nuclear proliferation, it becomes difficult to get consensus for the International Atomic Energy Agency to have a more aggressive capacity to scrutinize the management of the nuclear systems within individual countries.

And so we began work that took us into previous work on sovereignty, particularly work done by a colleague at Brookings and an African statesman, Francis Deng, on the nature of responsible sovereignty.

It is a concept which is fairly simple, but extremely powerful. It says that states, in order to exercise responsibility, have to be

accountable for how they treat their own people, that they must be accountable for the domestic and international actions that they take, and the ramifications that those have across borders, and it means that states, to be responsible, need to take responsibility in helping weak states build the capacity to function in a transnational world.

It is these responsible states then that become the foundation for effective regional institutions, for effective global institutions, and in addition to that, for setting the guidelines and the parameters that effect how the private sector and NGO function in the international environment. It is also these states that define responsibility, not as a universal global regime of governance, but focused around specific issues such as climate change and nuclear security, where the terms are negotiated to achieve a consistent and predictable set of rules on how we govern the international environment.

The challenge then became how we apply that against this reality on day one for President Barack Obama, where he will face a series of international crises on Iran, Iraq, Afghanistan, Middle East Peace Process, a series of geopolitical challenges like the Rise of China and India and a more assertive Russia, as well as the type of global and existential threats that I have been discussing earlier.

Yet even here what we find is that the only way to address the agenda requires us to go back to the precepts of international cooperation and sharing the burden across countries. In order to do that, we developed in this Action Plan a framework that had four tracks to help organize the way that we think about these issues. The first track is on restoring American credibility and leadership in order to strengthen U.S. global engagement. The second is on the power and legitimacy of international institutions. The third is a strategy on tackling these transnational threats. And finally, the fourth deals with internationalizing crisis response. We consciously put the crisis response part at the end, not because it's less important, but we found that if we start talking about the crises at the beginning, we never get to the longer term issues which require institutional investments.

It's impossible to go through all of these issues in detail, so I will only try to sketch out a few points on each. On the question of international engagement, we have all heard many times the importance of closing Guantanamo, of recommitting the United States to a rule based international system that recognizes and endorses the Geneva Convention and the convention on torture.

The more general thing that we heard as we worked across the world is a cry from the international community to see the United

States come back to a rule based international system, and we highlight this as a critical necessity in the Action Plan, not out of a sense of self-defeatism, but because it is our strength, and that it was recognized internationally that when the United States comes back to honoring the rule of law, we are playing to our strength, and we have the capacity to lead others. In order to do that, we need to invest in civilian capacities in government and rebalance the investments that we make. In the fiscal year 2009 budget of the United States, the request for the civilian parts of government for International Affairs are $38 billion. The base Defense budget is $515 billion. By the time you add supplemental appropriations for Iraq and Afghanistan and the War on Terror, it brings us to $750 billion.

We need greater capacity for our civilians, we need a change in style of leadership, we need the capacity to listen, and what we heard consistently was the importance of recognizing that, yes, democracy is a value, but it is a value that grows from within and needs to be nurtured, not one that should be imposed.

We came to track two through the process of analysis of transnational threats, not because we started out and asked the question, what are the institutions that should be at the foundations of global governance. And I'll highlight two points that came up consistently throughout our analysis.

The first was the creation of a G16, to align the consensus of responsible powers based on wealth, geography and population. The Economic Summit that we saw this past weekend with a G20 perhaps has already put to rest the question of whether there will be a G8. But what we have seen is that to solve the problems of the world today, we need to be able to bring to the table the countries that have the critical power and resources to be able to do that.

Let's put aside for a second what the exact number is. And I can assure you that we poured over many, many charts that looked at all of these different variables, and there is no exact right answer of what the G should be.

But what we do know is that countries need a mechanism, powerful countries need a mechanism to negotiate issues, and to develop an understanding on how to move forward, and to bring those negotiations back into international – to be voted upon for legitimation.

And so, for example, the major emitters of carbon bringing those issue back to the U.S. Framework Convention on Climate Change for legitimacy on the actions forward. Or even as we saw at the G20 meeting this past weekend, the proposals require taking the ideas back to the IMF and the relevant international institutions. This is not a proposal that is an alternative to the United Nations, it is a proposal to strengthen

the way our international institutions actually function. The other issue we consistently came back to was the strength, the vitality, and the legitimacy of the U.N. Security Council.

The minute that we got into discussions around the world on the structure of that Security Council, it seemed to suck all of the energy out of the room. Everybody wanted to get into who was in, who was out. And so what we have proposed is laying out a marker at the beginning that this should be a fundamental part of the strategy on the expansion of the Security Council, but we propose steps in the Action Plan of how to take that in stages in order to handle it in a way which is both substantively and politically responsible.

On track three on the international threats, what we do know is that, to begin with, there are certain issues that will immediately be on the international agenda. On climate change, there is a conference in Copenhagen at the end of December, 2009. The economic financial crisis is with us every day. With nuclear proliferation, there will be a meeting of the Nuclear Non-Proliferation Treaty Review Conference in May of 2010. What we also know is that these issues are deeply interconnected. And rather than go into all of the questions and the proposals in detail, let me just describe a few things about those interconnections. With the economic crisis, it is underscored on the one hand the need for open

markets, to be able to create centers of growth and capital to be able to help us take us out of this crisis, yet at the same time, investing in the poor who are suffering from the crisis.

But this will come up against detention and a risk of protectionism that will derive from the fear of the future. It will be up to global leaders to actually push back on those protectionist tendencies, and in the Action Plan, we begin to describe some ways in order to do that.

The economic crisis is deeply linked to climate change and it will complicate those debates. On the one hand, it will create opportunities for an economic stimulus. But as we've heard from economists throughout the world, in order to solve the climate change problem, there needs to be a price that is put on carbon, and that will have an impact on industry such as steel, and coal, and auto manufacturers, and will there be the political will to take on those issues? In the Action Plan, we propose an approach that leads to a phased international negotiation in order to be able to do this more effectively that leads to – in a way that leads to international consensus. Climate change will exacerbate conflict, and as a result of that, we will see greater competition for resources of the nature that we see today in Congo, and hence the need for greater investment in peacekeeping and mediation and peace building capabilities.

In the voids that we see after conflict, we have seen the capacity for terrorists to establish a base. And so we propose in the Action Plan how to begin thinking about the importance of investing in local capabilities for the rule of law and policing.

We have seen, as well, that in weak states, that they can become a threat for disease. And the positive side of, or the critical factor in addressing that disease is technological innovation, yet the misuse of that technology becomes a risk in itself.

So we propose in the Action Plan ways in which scientists can begin working together to identify ways in which to regulate that technology, yet at the same time provide an incentive for its further development. And against all of these issues, we have to remember the specter of nuclear proliferation and the risks that that entail, because if terrorists, in fact, actually get their hands on these nuclear weapons, in an environment where there is conflict, that perhaps can become the biggest existential risk of all. And so one of the things I would underscore, in moving forward, is that we have to recognize the fact that there are interrelationships among all of these issues.

Yet at the same time, if we say that everything is related to everything else, and you have to solve everything to make progress, we create an untenable situation where we cannot make progress. And so

we have to recognize those linkages, draw on the opportunities, yet not handcuff ourselves in the process.

On track four, we have often heard in the discussions of the Middle East a particular importance on the question of security. And, indeed, security issues are going to remain critical. But one of the things that we have found throughout our work is a crying need for greater political strategy.

In a recent program on CNN that featured Secretary Albright, Secretary Powell, and three other Secretaries of State, when they were asked what was the first thing that you advised the new President about Iraq, it was the need for a political strategy that would underpin the sustainability of this long term solution. And similarly in Afghanistan, we have a debate today about the gap in security in the eastern and southern parts of the country. But is there a discussion or a debate on how to deal with a government which has become dysfunctional, where 40 percent of GDP is driven by narcotics, and that narcotics revenue has infiltrated both the government and regional government and has made it difficult to make progress forward?

And hence, one of the things that we propose in the Action Plan is how to begin moving with an effective – forward with an effective political strategy. Against all of these issues, there is a real world agenda.

There will be a G20 summit, there will be a NATO Summit in April of this year.

Perhaps there will be a G8 summit, perhaps it will be another G20 summit. There will be a conference of the U.N. Framework Convention on Climate change. There will be an MPT Review Conference. There will be a review of the Millennium Development Goals. There is a real world agenda before us, and, in fact, as complicated as it is, we cannot wait on these issues despite the fact it is complicated to address them together. And so just a couple of observations to close, perhaps one way to think about it is the analogy to the 50 state strategy that was pursued by President Elect Obama. One could have taken a Super Tuesday strategy, but if one does not look at the long term investments in institutions that are necessary to succeed in the long term, it is difficult to see how we can make our way through these kinds of issues.

In addition to that, we have to remember, the goal is not perfection to start, but it is actually to create greater confidence in initial moves and steps so that we start to create a dynamic in the international community that can take us forward.

There are positive elements to build on, the fact that there is a convergence around the focus that's been created by the financial crisis, the good will for our new President, the fact that we see that there is a

need for international cooperation, and even for those who are skeptics of the United States, a recognition that a United States that is hurt is not good for the international community.

But there's also a risk of divergence. As a result of the recession, there will be temptations for protectionism. There may be realities that are created through things like investments in coal or states like North Korea and Iran breaking out on nuclear issues. And so we are, indeed, at a critical moment where we potentially have an opportunity to move forward. But the moment is important, because if we don't take that opportunity, there's a risk of real divergence among states, and hence, the Action Plan that we propose in front of you.

Let me stop there and turn it over to my colleague, Steve Stedman, who will take us through the Q and A period.

MR. STEDMAN: Thank you, Carlos. We have a huge agenda before us, and I'm going to immediately turn to Secretary Albright and go to our starting premise, which is, for all of this to happen, we need a new style of American leadership, and some of the first things a new President – that President Obama is going to have to do is try to restore American credibility.

Now, we've put forward a few ideas, close Guantanamo, declare unabashedly our commitment to the Geneva Conventions, build

civilian capacity, to do diplomacy, but is that enough, are there more things that come to mind, and do you agree with the premise that we need to restore American credibility?

MS. ALBRIGHT: Well, first of all, I really have enjoyed being a part of this project, and I salute you all in Brookings for undertaking it, because I think it is very important and does set a platform from which to take all these issues forward.

And I was always known as multi-lateral Madeleine, and so I fully believe that it is essential for the United States to restore its leadership by participating in the international system.

I have to admit that I come at this from the perspective that the U.S. is an exceptional nation in the way we were started, and our size, and the size of our economy, but not that exceptions be made for us.

We have to be part of a rule base system, and obviously starting out with – I do think closing Guantanamo is essential, and by the way, all five of the former Secretaries of State, three republicans and two democrats, agreed that that should be; also, to take a very active role in the climate change talks, and to really put ourselves forward as very active players in the international system. I think that what I, in my book, I do believe that the U.S. needs to have a moral foreign policy, one that is

based on our value system, that we understand the importance of the individual and human rights, and that we feel that our policy reflects that.

That is very different from a moralistic foreign policy, where we are constantly lecturing everybody. We need to be true to our own set of values and follow them out, which really means that we need to rejoin the Human Rights Council at the United Nations, to take an active part, and our own legal system has to come into better alignment with the international rules of order.

There are a lot of questions about the International Criminal Court. One of the premises of the International Criminal Court has been that if you have a functioning legal system of your own, you don't really have to submit everything to the International Criminal Court. And since there are some questions as a result of the lacking of habeas corpus and various civil liberties that have come threat, that it puts us in doubt, and we need to restore that kind of leadership.

I also think that we need to, you know, from taking – I see it in really three circles; first of all, making sure that we, ourselves at home, have restored a sense of the balance between civil liberties and fighting terrorism, and dealing with the issues such as Guantanamo. Then I also think we need to look at how we participate in the various organizations.

And I – actually, President Clinton used the term first about indispensable nation, but I said it so often that it became identified with me.

The bottom line is, there is no definition of indispensable that says alone, it just means that you are necessary for the functioning of a system. And so I believe that the American people, especially given all the economic trauma now, should not turn inwards, but need to be engaged internationally and need to be engaged in a variety of organizations that the others will talk about.

So indispensable, when I used it, was really to rally the American people against protectionism and looking inward and looking now in terms of how to increase that $38 billion budget, which really is the soft power of the United States.

And then finally, I think in the largest circle, I am Chairman of the Board of the National Democratic Institute, I believe in democracy. I am a person who thinks we are all the same and that everybody wants to be able to make decisions about their own lives. And the question is the tools that are available. And it's one thing to support democracy and promote democracy; imposing democracy is an oxymoron. And democracy has gotten a bad name as a result of what has happened in Iraq, and I think we do need to, through systematic work, supporting the nuts and bolts of democracy, helping people figure our access to justice,

looking at the role of the media, rule of law generally within societies, and the existence of an opposition party in each of these countries, that, for me, is the way that we should restore our moral authority.

And finally, I think American leadership is wanted, it is just that it has been found wanting.

MR. STEDMAN: Let me ask the other panelists if they want to get in on this question about restoring American credibility, American leadership?

MR. DERVIS: Well, I think I would just add that the economic challenges make what Secretary Albright said even more pressing. And hereto, the largest economy is still the U.S., many good ideas, and we need fast action, because this could be one of the worst crisis the world has seen since the 1930's. So in addition to the political insecurity aspect, I think strong cooperative action with a leadership role for the U.S. is crucial – economic –

MR. STEDMAN: Tom.

MR. PICKERING: Steve, I agree with everything that's been said. I think that our election is a remarkable new springboard for us to look at restoring credibility. All around the world you've seen people who are either joyous at the change or amazed at the possibility that took place.

I think the new President is going to have an enormous task, to some cases because the expectations have now become so high. Merely prioritizing is going to be seen as a downer for some people. But that has to be done because it's a responsible way of leading the United States and it's a responsible way of playing our future role in the world.

One would hope that we will see formulas and ways of proceeding, perhaps on an Inaugural Address and a State of the Union and further kinds of activities which will lay out the kind of efforts we intend to make.

I think that there is an inextricable interrelationship now between domestic and foreign affairs that is perhaps more intense than ever before. Mr. Dervis mentioned the financial crisis and that's a primary example. Just one point, the ability to operate internationally to deal with this issue is of crucial significance, I think both for success in dealing with the crisis, but also in many ways in restoring America's credit and the faith that people have had in the United States.

MR. STEDMAN: Just let me follow up just immediately on this, because both you, Tom, and Kemal have raised the financial crisis. Secretary Albright, if you had a new addition of your Memo to the President coming out and you were going to write an addendum based on

the financial crisis of the last two months. What might be some recommendations that you would add?

MS. ALBRIGHT: Let me just – before – one of the things about writing a book, in terms of the rapidity of events, which I think is something that President Obama is going to have to deal with, I didn't have time to put the Georgia/Russian issue, nor the financial crisis in there, or Congo for that matter. I mean the rapidity of all this is something that also has to be considered and in terms of the agility of our various governments to be able to deal with this.

I think that on the financial crisis, as others have said, and Carlos, you pointed out, is, it so requires international cooperation. I think more than anything, we were talking a little bit earlier, what it has shown is the interdependence of the world, and it is definitely one of those one country like us sneezes and everybody else catches cold.

I think the other part that has happened is, it has added to the indictment against the United States, so that it makes it – it's one more step that I think President Obama in order to dig us out of this. But I think it has to be a combination of very quick cooperation on various stimulus packages, as well as regulation, but ultimately to get to some of the other tracks here, a rethinking of the Bretton Woods Organizations. And, clearly, Bretton Woods was created at a time during a war, we are in

some type of crisis now, and therefore, I think, to make lemonade out of this lemon is to really look at how the institutions can operate together better.

MR. STEDMAN: Javier, you wanted to jump in on this?

MR. SOLANA: Yes, sir, to make a comment. I think that we all agree that the problems of today are global, and therefore, the solution have to be global. That is not enough, and we have to repeat that over and over again to enlarge the size of the table, which is fundamental. At the table, more countries have to be – more solutions have to be. That is not enough. It's not unless we change the mindset of the people on the table, and I think this is going to be very difficult.

But this is the leadership that is required, by the United States and by others. But if we want to continue, even – the table, and not changing our mindset, and thinking that we are going to rule the table at the end is a mistake.

I think that to change our mindset and prepare to listen to both of the fathers and try to accept it. And this is a big change that I think is going to be necessary if we want to solve the questions of today.

With China, it's not enough to invite them to the table. We have to listen to what China has to think about some of the problems of the world today. Without that, we would not solve the problems of today.

So, again, size of the table is important, multi-lateralism is important, but change in mindset, listening, and listening clearly.

MR. STEDMAN: Strobe.

MR. TALBOTT: If I could, Steve, I'd like to just pick up on a point that Tom made about prioritizing and maybe take it a step or two further. Tom is, of course, absolutely right that prioritizing is an imperative. You can't do everything and you certainly can't do everything at once. But prioritizing of the wrong kind could also be a trap, and indeed, could undermine our ability to respond to the crisis to which we are giving priority.

If we were to collectively fixate on, at the exclusion of other crises and other threats that are looming, the financial crisis, among other things, we wouldn't be able to address the financial crisis very effectively. So we need somehow to figure out a way to jujitsu that problem.

And maybe one way to do so is to make a virtue out of the fact that just as the problems, which is to say the financial crisis, the breakdown in the trade talks, looming climate change, proliferation, just to hit the highlights, just as those problems are all mutually exacerbating in the way that Carlos illustrated with that rather depressing slide that showed interconnecting terrorism on all the bad news items, so the solutions can be neutrally reinforcing.

In other words, if we can get a rule based international order with regard to the stability of the capital market, that will release capital, which will, in turn, drive a healthier international trading system. International trade, as we all know from history, doesn't fair well in recessions, not to mention global depressions. In fact, that is one of the more dramatic examples of mutual exacerbating problems, Smoot-Holly putting the great in Great Depression.

So if we can flip that around and use the mechanisms that would be very hard to have imagined six months ago, that are now at least incipient, including in the attitudes of government to address not just the financial crisis, but to, as quickly as possible, make connections to the other urgent problems that so qualify.

And I'll just conclude this point by picking up on what Doctor Pechari, one of the participants in our work, told us at a meeting, help, Carlos, was it in Berlin?

MR. PASCUAL: Berlin.

MR. TALBOTT: Okay, Berlin, we've been all over, and that is that the international community has seven years basically to turn the corner in some sense on the climate change issue. And there's a good deal of scientific explanation of what both – why seven years and what turning the corner means. That is virtually tomorrow, that is in the second

act of a two term presidential administration that will begin on January 20, if it serves two terms, and that means we cannot put that aside and deal with the financial crisis independently of that.

MR. STEDMAN: And while you're trying to deal with the issues, you have crises, and I'd like to ask Javier, in track four of the Action Plan, we try to lay out some ideas for a comprehensive political approach to the broader Middle East. How do you see the United States and Europe working to create a viable strategy?

MR. SOLANA: Well, let me – before I answer the question to say – meaning it hasn't – participate in this project. I think that it's very illuminated for many people, it has been for me, and I hope that it's illuminated to others, and it's not only a document to read, it's a document for action, as you have said.

Now, I think that given the situation of the United States of today after the election, I think clear signals about how to be a solution of some of the issues of the conflict, we are being – many times, many years, is fundamental. And as Strobe said, if we do some of them properly and rapidly, that will cooperate to the solution of other problems that we have also, and they have, in principal, not a very obvious relationship, but with time will have a tremendous influence. To get the Middle East Peace process right is an obligation of this administration and

it's an obligation for the rest of the world to cooperate with you in doing it, and that has to be done rapidly, at least – rapidly, with determination, and if it cannot be solved in a short bit of time, at least the engagement has to be clear from the very beginning.

If we don't do it rapidly, the two state process may be in a very difficult situation to survive. Therefore, from our point of view, from the point of view of the European Union, we are ready and willing to begin from the first day to cooperate on that issue to say we can move it forward.

The parameters of the solution are known. The political will is what is needed. And I think we have to forget about some of the problems which are coming down the road with electoral dates, things of that nature, that should not postpone the beginning to get engaged on that issue.

So the sense of urgency on that is fundamental. And we are able to begin to show that problem, many others problems around will be also easier to get resolved, and I mentioned two. One is Iran, one of the most difficult problems – United States is to have had to – in the period of time, which will not be very long. The European Union will cooperate with all our energy, with all our – the best of our intentions, and I think we have to maintain the – that we have with the United States engaged in the

manner that has not been engaged so far and really get – that engagement of the United States, with this double track approach, even go a little bit further with the offer, a great – offer from the offer that we put on the table in the month of June, July, but also with a commitment that the sanctions will work – more effective manner with a – of everybody.

I think it's very important to maintain the Chinese and the Russians with us in this – but as I say, this is going to be a very crucial issue for the new administration.

And the last thing, which is – there will be of great importance to resolve is Afghanistan/Pakistan. Let me say again, from our point of view, from the point of view of the European Union, we will do as much as we can in helping in – but this solution will not be a military solution. That has been said by all the commanders. No single commander has run through Afghanistan that hasn't – that. Therefore, what we have to put on the table, everybody will have been military, but many other things. And as Carlos has said, it's the government with this – with the problems of great dimension, with trucks, with problems of – a more inclusive process that is necessary to take now, to put in place.

I hope very much that others will be also engaged, and I think about countries from the Gulf – for instance, it can do a lot on that

direction, and Pakistan, and therefore, to get a contractual engagement with Pakistan will be fundamental.

But let me say, on the three issues, the first is steps of this administration, created a momentum, a hope that they think others, and we will be helping as much as we can, together we came to try to do it. If we do it, it would be very, very important to unlock on many other problems that we have to face in the coming two year period of time. So therefore, these three issues are least cooperation from the European Union and the United States, the United States, European Union, and others is, to my mind, fundamental and –

MR. DERVIS: May I just add, pulling on Strobe's point on climate change and the challenge of climate change, which really is a very serious one, but there is a win/win possibility here. We need hundreds of billions of dollars of investments in new energy and clean energy in the transition to a low carbon world economy. We also need hundreds of billions of dollars of investments, dollars, euros, yens to fight the recession and to create new sources of growth, and these two things can actually come together and reinforce each other. It's an example of the kind of help that one solution brings to the other that Strobe mentioned.

MR. STEDMAN: Tom.

MR. PICKERING: I'd like to pick up on Javier's comments on the Middle East, if I can. It seems to me those four problems have interconnections, but that each one of them on its own is a huge challenge. I'd just like to say in terms of the Arab/Israeli issue, it's not possible for us I think to defy what I call the bicycle principal, which is, if you're not riding forward, you're falling down, and we've tried it over the years, and I think we see the results of that.

I think it's time for us to lead despite the fact that you've got both sides in terrible disarray. I think it's time to follow the road map, if I could put it this way, with the suggestion of a framework arrangement that would begin to limb out for both parties what the essential compromises have to be. This is very forward leaning, it's not going to make us popular either in Jerusalem or Ramallah, but that's not our purpose, our purpose is to help.

I think on Iraq, we ought to follow the suggestions that everybody has made to develop a political strategy, I don't see one. I think a political strategy probably has to have a diplomatic quotient to it. It probably has to have some negotiating effort both regionally and within Iraq to help solve the outstanding political problems.

Javier knows better than I that in Iran, we have to find a way to open up conversations directly with the Iranians, maybe in the context of the work that Javier is leading, but it has to be done.

I think in Afghanistan, we do not yet have a subtle view on what the outcome should be in Afghanistan, where are we going, what do we want for the future of Afghanistan. Some have suggested, and I think quite cogently and intelligently, that we ought to think about Afghanistan in the long run if, indeed, it could ever be accomplished as a kind of neutral state with fixed boundaries, but without intervention, if we can possibly succeed in doing that. If we had a vision of where we wanted to go, I think it would help a little better to put in place the kind of strategy, which we don't have at the moment. I think we've got tactics, we have some strategic lines, but we don't have direction.

I'm not sure that, without having a solid view on the future of Afghanistan, we can also be helpful in solving – in settling issues in Pakistan. And I say we all the time, but I mean we in participation with many others, because each of the suggestions I've made, the Arab/Israeli dispute involves the quartet, in my view, Iraq and Iran involve a lot of parties, including the regional neighbors and maybe beyond.

And certainly we all need help in Afghanistan. I think that beginning with something that used to exist called the Six Plus Two, but perhaps expanding it to other states would help us move.

We have forgotten too often that military problems always end with a political solution, and we have forgotten too often that if we don't play a role in effecting that political solution, the political solution will impose itself on us.

MS. ALBRIGHT: I'd kind of like to step back a little bit, because in listening, and also in some of my meetings over the weekend, it is clear to me that venue shopping is one of the problems here. And the question is, which of these various organizations really are the right ones? And some of you know this, but I'll repeat it; when I first became Secretary, I kept looking for various European Ministers and they were always in some meeting with some kind of alphabet that I didn't know.

So I asked the Intelligence and Research part of the State Department to create a chart for me of the European Organizations, and it looked like some kind of astrological or astronomical chart, and everything was on top of everything else, and I nicknamed it the Euro Mess.

The bottom line is that we can't keep creating organizations on top of others in terms of who does what with whom. And I think this is the real challenge in terms of which of the ones that really will work, and

where do you have the right players, and not so much, if I may be so bold as to say, I like this organization because I dominate it, and I don't want to be in that one because there are too many people in it, and I do think that that is one of the challenges that we have. The other part goes back to something, Carlos, that you were talking about. As a professor I say this, the fight between sovereignty and international action is not dead, and when you say responsible sovereignty, different people – countries will take it a different way.

I think that President Bashir thinks he's practicing responsible sovereignty. And so the question is, how these two concepts deal with what are very real crises that are out there. So venue shopping and the struggle between sovereignty and international multi-lateral action, I think no matter how great the good will is towards President Obama, and it's stunning, I think it's going to continue to be an issue of how we prioritize and deal with it.

MR. STEDMAN: Let me ask Kemal something based on Strobe's observation earlier that, in this environment, it's not implausible that you would see a lot of demands for economic protectionism, perhaps even economic nationalism. And, of course, in track three of the Plan of Action, we talk about the fundamental importance of an open financial and

trading system. How do you maintain progress towards that in the midst of an American recession, global recession?

MR. DERVIS: Well, I think the international trading system and the financial system will be at the center of all of our concerns, of course. There is a difference between the two, though, and I want to touch upon that a little bit.

On trade, it's very obvious when you think about it, but still, it's something that needs repeating. When you restrict imports to protect jobs at home, it means that others will do the same, are likely to do the same, and that will then make it more difficult to export, and that will kill jobs at home.

So imports and exports are two different sides, faces of the same transaction. One country's imports are always another country's exports. So keeping trade going and even increasing it, allowing foreign demand to supplement domestic demand is absolutely crucial to fighting this crisis.

And yet you're right, every country individually will be tempted to protect itself, thinking that it is protecting jobs by protecting itself against imports from abroad, and that is a self-defeating strategy. It is what, in the 1930's, contributed greatly to the world depression. I hope we've learned that certain economists and policy-makers have learned. But I do believe

that political messaging here is also very important. Citizens are rightly very, very concerned about their jobs, and that's their right, totally natural. It's the first thing you worry about, your job. So we all have to join forces to explain that exports, trade, actually help job in the medium to long term.

And, of course, in the short term, in terms of adjusting to changes due to trade, we have to help, we have to retrain, we have to make sure the pensions are there, the health care is there. There will be adjustments, there will be change, we can't fight change, but I think governments and public policy have to be there to support citizens in that process of change.

Now, on the trade side, there is actually a body of international law that has emerged around the W2. There are institutions, we can improve them, we should improve them, but it is not an area without international cooperation, and even an area where big sovereign nations agree to play by the rules. There are compulsory arbitration mechanisms in place, and I think that's excellent and that needs to be developed further. When we go to the financial side, the situation is quite different. First of all, financial flows are different from trade flows. There is much more scope for speculation, for extremely short term activity, and moreover, despite tremendous financial integration in world markets, there's virtually no international regulation, and this is something that now

everybody has discovered, it's focusing on, this was one of the focus areas for the G20 meeting, it's a challenge for the next G20 meeting in April.

Clearly, if we want to benefit from international finance and access to capital, access to finance is a positive thing, of course, not least for the developing countries. But we cannot have the system without rules, without regulations, without much greater transparency, and robustness in the whole system. And how to build that is going to be one of the huge tasks.

To end on this point, I'd like to very much agree with Madeleine that, and, you know, coming – the U.S. is 30 – some people say the U.N. – actually, it's 38 organizations, and then there are many others, and it is true that when you look at the whole set of international organizations, it is not a very rationally built set, it happened over time. The last thing we need actually, I think, is to add new organizations to the ones that already exist. In fact, I think it would be better to consolidate and rationalize. But we should use the organizations we have, strengthen them; in the case of the financial markets, I think the IMF is the first line, and, of course, change their governance structure in such a way that they reflect the world of the 21st century.

MR. STEDMAN: Javier, do you want to get in on this?

MR. SOLANA: Yeah, I'd like to say something that Kemal has said, insisted on the importance of the trade agreement. It is true that in moments of the economy going down, the tendencies of protectionism – but imagine if we are not able to tackle the – properly, which at the end is a negotiation of the level we are today between the developing countries, which is not very different.

For the deal that we may have to reach on climate change, if we are not able to handle this problem, which is easier, with the same – basically, if we fail, it would be a tremendous failure of multi-lateralism really, and it will have consequences to make more difficult the next multi-lateral negotiation that we have to do, very, very important, with players from the same nature, with the same interest, contradiction, it would be really sad and bad, bad news also to – the climate change that we have to make all the effort. And I think what – sad is very clear, and I think that we have to move in that direction and try to get it done. And I completely agree with what Kemal has said. Usually around this age, we have to invent more – well, usually what – potentially had and do it –

MR. STEDMAN: Strobe, you wanted to –

MR. TALBOTT: Yeah, I wanted, if I could, to introduce or at least italicize a phrase that has been underused and perhaps unused in this conversation, a phrase that does not appear in the Action Plan, I'm

not sure if it appears in the book or not, and then having introduced the phrase, relate it both to the President Elect and to his principal constituency, but not his only constituency, which is the American people.

The phrase is global governance. I'm struck, for example, it occurred to me listening to Kemal just now. He talked about aspects of the international system, but I think what you said applies to the international system as a whole, which is that it must be characterized by rules, by robustness, which is to say effectiveness in dealing with the problems at hand, and with transparency. That is a pretty good description of a rule based international order, which is a phrase that is used both in the Action Plan and in the book, along with institutionalized cooperation. Now, our terrific audience here today includes a lot of folks representing other countries. In most, if not all of your countries, there is no problem talking about global governance. There is in our country.

We've all learned in recent months about toxic paper, something I always thought I had to keep away from our dogs at home, but we need to keep it away for other reasons. Global governance has a certain toxicity to it in the American political discourse.

When Steve and Bruce worked for Kofi Annan, and I'm not sure they ever got a chance to ride in the black helicopters, but I can tell

you somebody – no, it's hovering over head and you can hear it, and it's about to get louder.

What I found in my own efforts, particularly when I worked for Carlos and Bruce and Steve about this project, do talk radio and so forth, I almost stopped using the phrase, because immediately the switch boards light up, and people talk about global governance as though I had just said global government, which is that the U.N. flag or some other flag all of a sudden goes up several feet above all of the 190 plus flags in the world, and that's the flag we pay allegiance to, and there's a capital somewhere, and we take orders from people in that capital – course, not what it means.

Now, Barack Obama, I'm going to say some positive things about the President Elect, in the spirit, not only of my own convictions, but now that he's President Elect, and he's going to be President of all Americans, and he got a mandate from the American electorate, is a quite significant new arrival on the scene in this regard, as in others.

I have perused pretty much everything he said in the long, long, long campaign about foreign policy, and he's a good enough politician, he never said global governance.

But in his extraordinary speech in Berlin, he proclaimed himself a citizen of the world. He's not the first American to have done

that, Jack Kennedy did it, Ronald Reagan did it, but they at least were careful enough not to do it until they had already been elected President. Although Jack Kennedy didn't waste any time, he used it in his Inaugural Address, and Ronald Reagan used it in a speech to the United Nations. More important than the absence of the phrase, global governance, in what Barack Obama said on the – about foreign policy, which was a great deal, I think is phraseology of a construct that he used repeatedly. He talked about common humanity and common security, and he did it in a way that suggested that that was two-thirds of the syllogism, and to complete the syllogism, common humanity plus common security leads to the concept of a community that must, in some meaningful sense, govern itself an interdependent world.

He is, after all, among other things, we know, a community organizer by background. And I think he approaches the presidency with a kind of global concept of community organizing.

The last point is one that reassures me, if true. We've all – we've got a lot of clichés that have been generated by what happened on Election Day. One of the clichés is that we, the United States, have entered the post-Reagan era. I've never been – Madeleine and I have never been crazy about designating the era we're in with the word post and a hyphen because it sort of says, you know, what you're not anymore.

But what this phrase means, of course, is that after quite a number of decades, where there was a deeply held and widely held suspicion of and resistance to authority and regulation from high and primacy given to the free market and government staying out of the way, now there is not just tolerance for, but a recognition of the need for activist, robust government and governance.

Of course, still in a fashion that respects our Constitution and respects the American ethos of individualism and free enterprise and all that, but we are in a new era, I think.

And I would also like to think that we, the American people, hard to generalize about all of us, can't even generalize about the panel, but I think that we are probably now in a much more receptive mode and mindset and world view with regard to not just accepting the need for global governance, but going back to the track one requirement identified by the paper, American leadership of it.

That will require, of course -- Kemal has written a book called A Better Globalization, we're going to need a better American exceptionalism if Madeleine is going to be able to keep the idea of the indispensable nation alive. So I would conclude just by saying, to call things by their own name, as our Russian friends like to say, global

governance is the number one challenge for the world and the number one challenge for the next President.

MR. STEDMAN: Kemal.

MR. DERVIS: Well, I whole heartedly agree with Strobe, and, you know, his book, where he takes the whole world of history, but brings it to bear on this point I think makes so forcefully this point. But I would like to add one thing, the big danger – and, of course, it's absolutely true, I mean nobody wants a global government, that's not what we're talking about, it's impossible, it's not desirable, what one needs is governance mechanisms that allow, and I think I'm borrowing some of Carlos' words really, sovereignty to be effected and responsible, and that's one of the, you know, one of the key words of this Plan of Action.

If you just act nationally, you actually cannot be sovereign anymore because you cannot control events, you cannot control economic events, you cannot control security events, you cannot handle things.

Today, if China doesn't cooperate in the fiscal stimulus, and thankfully it is cooperating, what can be done in the U.S. alone is insufficient, or in Europe alone. So the exercise of sovereignty itself actually, if understood and interpreted in the way appropriate to the 21st century, requires that kind of cooperation so that the policy actions that are decided by sovereigns reflecting the will of their citizens actually

become effective, otherwise sovereignty is not only not responsible, but actually ineffective.

But there is one difficult challenge here, and I don't have a real answer here, and that is the issue of democracy and governance, and I think Europe, Javier, I'm sure you've struggled with that. Global governance or regional governance as we have in Europe has to be connected to citizens' daily concerns.

Citizens have to recognize that they can exercise their democratic rights, not only in terms of national government, but also by influencing global governance mechanisms at international institutions.

So there is a need for a new I would say global political networks that compliment the technocratic networks that exist. Central bankers meet and discuss things behind closed doors. Others meet, you know, and sometimes very effectively. International aviation regulators meet, and, you know, we do have a well functioning system. Citizens also have to meet more. Civil society has to engage, and we have to find ways where democracy becomes compatible with global governance.

MR. STEDMAN: Secretary Albright.

MS. ALBRIGHT: I do think there are other stakeholders in this, and we've talked about this. I think non-governmental organizations need to be very much a part of governance issues, as do corporations.

There are corporations that have more power than small countries. And I have advocated for a long time that in various ways they have to be at the table in terms of some of the legal questions, obviously the financial trade questions, and so that when you talk about governance, I think it has to have many, many more players in it.

MR. STEDMAN: Tom.

MR. PICKERING: Can I make three or four very brief points? I think on sovereignty, we all know that sovereignty is the responsibility, if I could put it this way to make choices, and then to live with them, and that sovereignty is not freeing mankind from natural forces, it's providing us an opportunity to find better ways to accommodate our lives to them. I think that in terms of global governance, I agree with Strobe, and I think the exceptional nation and global governance have to come together, because it is the distinction that allows us to escape the trap of global government, and to me, that's extremely important. On institutions, I would say the following, I don't think that the quantitative problem should be the whole basis for judging institutions, the qualitative issue has to be there, as well.

And so I'm comfortable with the notion that if we have a demand for cooperation and there is no institution ready to hand, we ought to take a look at what will necessarily be produced in a positive way by the

creation of an institution, and this becomes part of what I would call the global governance framework.

But I also take the view that there is something that we have not yet been able to do that is very hard to do, which is to think about how do we rationalize and perhaps combine institutions to find a way to improve quality while reducing the proliferation of quantity. And I think this is a challenge that is out there that we haven't yet faced up to, but will play a role as we look ahead at better global governance and more responsible sovereignty.

MR. STEDMAN: Javier.

MR. SOLANA: I think we have discussed one of the most fascinating topics of the times. I think the European Union has something to say about this, because a group of countries that have already, in a voluntary manner, chose to live together and to share sovereignty. It's probably the only example and going as far as taking to the connectivity – currency, which is a very, very fundamental decision.

But I think we cannot understand that without talking at the same time about legitimacy. Legitimacy is absolutely fundamental, you want to govern a complicated structure, and that remains, the legitimacy remains at the level where proximity – exist. I don't want to enter more into that – but it's very, very crucial, it comes from legitimacy.

Now, we may agree on many, many things even within the European Union that have to do, but you may sometimes need the legitimacy – very clear, the national – to do it. And that is a reality will be very difficult to overcome.

Now, you can put into the global – into federal entity as much things as you want to transfer from the – will be always – to run into legitimacy, it will be very difficult. The problems are global, the solutions are global, the resources and the legitimacy still is global.

MR. STEDMAN: Let me ask Tom to discuss an issue I know that's of concern to you. We say in track one that it's essential for the United States to increase its civilian capacity, to increase the diplomatic core, to increase foreign aid. I assume that that would be part of the candid dialogue between President Obama and the American public about global governance. Can you talk about why this is important and whether there's a political climate for getting it?

MR. PICKERING: Well, I guess the why has already been answered if you've spent any time at all listening to our dialogue and absorbing Carlos' presentation. It would be strange if you walked out of the room and felt that diplomacy had no role, that multi-national, multi-lateralism, that working together, that finding answers in common to all these problems didn't, one, dictate the necessity for diplomacy, but also I

think in a very clear way dictates a change in the character, in the way of operating of diplomacy, so much so that a number of us thought it was a very good idea to take a look at the question in a serious way. And a report has been produced in another forum which basically attempted to say on the basis of being able to do the job effectively over the next five years, what in the opinion of people who are both expert in diplomacy in its broadest sweep, and in budgeting, would it require to bring the United States into that kind of position. And the rough answer is sort of probably a 20 to 30 percent increase over five years.

And the people who support diplomacy all around the world, not just in what we would call the core diplomatic efforts of representation, negotiation, and reporting, but also in development and foreign assistance, in public diplomacy, in dealing with the national disasters and things like stabilization and reconstruction, and the very serious realignment on the question of the fact that we have now heavily militarized parts of our diplomacy, and we need to get things like security assistance, which has traditionally been a preserve of the Secretary of State to make decisions on –

The other question for Americans is, that I think is very important, is that we have not over the years been able to do the level of training required in large measure because, as Madeleine found, and as

Colin Powell find, and as Condi is now finding, it is terribly hard to get the Congress to put aside the positions for people to do the training to make it work. And so to do training in the State Department, you have to pull people out of the front line, and you don't replace them because there's nobody there to do that.

This is moving ahead. We have recommended in this report that there be at least 1,000 such places across the full sweep of all of these diplomatic activities that I've just limbed out for you, and that they focus in new areas, on science and technology, on management of multi-lateral diplomacy and improving our public affairs capacity, on, as you said, Carlos, on international law, that we have a tremendous opportunity to work ahead, to move forward on making international law and making international law in ways that I think are part of global governance and part of our mutual prosperity.

So these are all interesting challenges. The report goes into this in some detail. It says that by 2014, that $38 billion that you mentioned should be increased by at least $3 billion to accomplish this objective. Now, that sounds like a lot of money, and it is, in a time when we're under difficult circumstances. But up against a $700 billion package, added to by another 250 and another 130, up against the total military budget of the United States, if you include all the sources of $900

billion, this is essentially a rounding era, and this rounding era has, in my view, the capacity to make big changes, principally that we will have the kind of diplomacy that we have all wanted over the years.

The fact that Madeleine, Strobe, and I are sitting here is something, kind of a redux, but we all fought this challenging issue. Let's hope that we can see that move ahead, because without that, we're falling back on the old question of force and hammers and nails, and this is, in my view, not the answer, and it's not the answer that this report supports, and I believe it will have to move in that direction.

MR. STEDMAN: Let me ask a different question on international institutions. In track two of the Action Plan, we talk about a G16 as a pre-negotiation forum, but we also talk about the need for reforming the Security Council, and we put out some ideas, and the ideas that we put forward is a gradual plan of reform that could eventually get you to permanent expansion. Now, I have to confess, some of those ideas came from you, Tom, so maybe you could help explain how you would get that politically.

MR. PICKERING: Well, Steve, let me try to give you an entirely objective answer. I am guilty by association perhaps. My sense is that reform in the Security Council plays a role in the international community which is somewhat akin to the breath taking electoral victory of

President Elect Obama in many ways, that people will see a reform Security Council as perhaps more representative, and therefore, more legitimate in moving ahead, and I accept that.

I also accept the fact that working in the Security Council, as Madeleine knows, is a series of great heavy lifting tasks that is not very easy, and that the larger the size, the more difficult it is.

And maybe, Javier, the old view that sooner you get to having a common foreign security policy, the sooner we can see a single European seat on the Security Council, and I know this is vastly unpopular, but it would help to open up the answer to both questions.

In the meantime, the notion that one step that could be taken I think without a lot of charter reform would be, in a sense, to work with the other members of the Council, and indeed, the General Assembly, so that states that carried especially heavy burden and that were not represented on a permanent basis in the Council could be represented more frequently, and to some extent that's happened with Japan, I think perhaps it needs to happen with India, it's happened a little bit with Brazil, but there are ways to move that ahead.

That might require the addition of other non-permanent members. And as you know, Steve, we've also talked about the notion that on critical points in the Security Council's decision-making, it would be

in my a lot of charter reform would be, in a sense, to work with the other members of the Council, and indeed the General Assembly so that states that carried especially heavy burden and that were not represented on a permanent basis and the Council could be represented more frequently, and to some extent that's happened with Japan. I think perhaps it needs to happen with India. It's happened a little bit with Brazil, but there are ways to move that ahead. That might require the addition of other non-permanent members, and, as you know, Steve, we've also talked about the notion that on critical points in the Security Council's decision making, it would be, in my view, extremely valuable, but maybe at this stage somewhat totally millennial, that the permanent members agree, say, in terms of genocide, that they would not interpose their veto to the Security Council consideration of that issue unless either two or, in my view, a majority of them said that they were against this. In other words, qualify the veto to a double veto or a triple veto for opening the Security Council consideration so that critical issues involving very important potential decisions of the Security Council don't get wiped off the agenda, if you like, merely because one country opposes it, and we would have to have due recognition that the veto is there in the long run to protect the essential vital interests of the permanent members of the Security Council. One wouldn't wave it in those circumstances. But I think there

are plenty of opportunities to move ahead. That would provide a better basis, in my view, for the negotiation of more effective resolutions, although it's no guarantee that that's the case.

MR. STEDMAN: Let me -- before turning it over to Bruce to open it up for questions from the audience, I just want to turn to Strobe briefly on -- and you can pick one or do both -- we have specific recommendations in the Plan for Action both on climate change and on nuclear nonproliferation and disarmament.

On climate change we say if you want a strategy to move forward you should think about, in essence, a two-track approach and that if you go down that road you give the United States more of a chance to get its act together in terms of how it approaches the question of emissions reduction.

On the nuclear side, you know, we talk about the need for the United States to reengage Russia in a serious way on questions of arms control and disarmament. Both of these are difficult. Both of these have problems, but I would like to hear your take on them.

MR. TALBOTT: Sure, Steve. A word about arms control/nonproliferation, then the linkage of that to the climate change issue.

This is a back-to-the-future situation we've got here. You can cast this challenge for the next administration and for its partners around the world in terms of rescuing, repairing, resuscitating one of the most successful and important ventures of the second half of the 20th century -- namely, keeping the cold war cold. And that is important in its own right. It's also important by way of a precedent for the way in which I think we need to think about and act on climate change, because it's the one case we had in history where the anticipation of a catechism -- i.e., World War III -- incentivized the international community with a lot of leadership from the United States to take the steps necessary to prevent that from happening. I don't need to belabor the potential analogy.

The global arms control nonproliferation regime is in terrible shape. It is in real danger of unraveling. When the NPT went into force in 1970, it was supposed to hold at five the number of nuclear weapon states; today there are nine. The other four of course, while members of the nuclear bomb club, are not members of the NPT club, and if the regime were to unravel completely we could be looking at what John F. Kennedy predicted prematurely perhaps many years ago, and that is as many as 25 nuclear weapon states, which is a very dangerous world.

While I have zero insight into what is going on in the most opaque transition in the history of this process -- and I might add, I think

it's appropriate that it be opaque -- I have a very high degree of confidence that once he's President, Mr. Obama will move fairly quickly with regard to the comprehensive test ban treaty, thereby giving the United States Senate an opportunity to undo the single, stupidest, most consequential thing it has done in many, many years -- 10 years after it did it -- i.e., refusing to ratify the CTVT back in 1999. I'm reasonably confident that he will engage with the Russians on meaningful strategic arms reductions as opposed to the essentially eyewash treaty of Moscow. I would think that he will find ways, bearing in mind the cautions that he heard from Secretary Gates six days before he was elected, that he would make the ultimate achievement of a nuclear weapons-free world a driving consideration in the formulation of American defense and diplomatic policy.

By the way, this will involve working with a lot more than just the Russians. It'll involve working with virtually all of the countries here for a reason I'll come to in -- represented here today. It'll involve particularly working with China, because if we're going to really do strategic reductions of a serious sort, we have to take account of China in a way that we didn't a couple of decades ago, and we may also have to take account of China and try lateralizing some effort to reinstate the premise of the antiballistic missile treaty which President Bush discarded early on. It'll definitely

complicate relations with India, which are otherwise in great shape, because if the CTVT is in fact ratified here, that is going to reopen some issues the Indians -- as Tom well knows and Madeleine certainly knows, were taken care of but will not be.

The connection, of course, to the climate change -- the global climate change regime is almost self-evident. In his victory speech in Grant Park, Senator Obama used the phrase "all hands on deck" with regard to dealing the challenges he faces. That is certainly true with regard to climate change. That will certainly mean that there will have to be, on a global basis, much more effort and care put into nuclear -- civilian nuclear power, and that means that there will be a lot more reactors in the world, there'll be a lot of countries that now do not have civilian nuclear energy which will have civilian nuclear energy, and of course the great danger there -- there are two great dangers. One is safety, which is largely a technical issue, but the other is proliferation, and if that strand in the remediation of climate change were to develop not in parallel with the strengthening of the nonproliferation treaty, we could be partially solving one problem and totally exacerbating another.

MR. STEDMAN: Bruce, do you want to --

MR. JONES: Thank you very much. I think we've had an extraordinarily interesting panel discussion. What we want to do now is

open the floor to the audience for questions and comments. You can pose your questions to the three of us about the action plan, but I suspect you'll mostly want to pose questions to the panelists on their views of the issues that confront us. We have roughly half an hour for questions and answers. I think what we'll do is take three or four questions at a time and allow the panelists to jump in on whichever issues they so choose. You're, of course, free to pose a question specifically to a panelist. I'll ask you to state your name and your affiliation and preferably keep your questions as brief as possible so we have time for a couple of rounds. I'm going to start at the back of the room and work my way up.

At the back --

SPEAKER: Hi, my name is Rohit Travati . I am the president of a small group called Young India here in Washington. I wanted to ask the panel about Indo-U.S. relations, because that's been an area in which we've done some work. I'll be candid about how we've seen the Indo-U.S. nuclear deal, and we haven't seen it in a very positive light, for many reasons, for progressive reasons internally, but in India we don't feel that there was sufficient discussion on the public safety concerns and the energy contribution of such a deal. And on the international front we felt that the nonproliferation regime was victimized by the deal. Overall it seems that with the Bush administration, the (inaudible) government has,

you know, come on board and said, you know, how do we, with your help, circumvent or I would say relatively harshly marginalize the institutions that we think stand in our way of becoming as exceptional a nation as you are. And that's sad, because we believe that there is a lot of potential between -- for -- I mean, a lot of potential for India and the United States to come together on very progressive ideas like climate change, and that's why we've sponsored a bill in Congress to promote Indo-U.S. renewable energy collaboration that helps small- and medium-size renewable energy entrepreneurs in the United States to invest in sectors in India where there's unreliable and there'd be no power at all. So, that kind of interaction at the second order that not only, you know, provides collaboration on an energy platform but also sends a big symbolic message to the world that India and the United States will work together in a bilateral fashion on progressive issues like climate change, at the same time address underlying global challenges like the economic crisis, because, you know, the bill that I'm referring to also talks about economic collaboration and trade collaboration on -- about something that really affects the lives of the average citizens both in the United States. So, the question is how do you think India and the United States can come together in a more progressive way and maybe, you know, is there a

potential for changing a part of the direction of the relationship that's come into being now?

MR. JONES: Thank you.

There was another question right at the back.

MS. McNAMARA: I'm Sally McNamara from the Heritage Foundation. However, I'm also British and I used to work in the European Union, so I'm very interested in these comments that the E.U. is a perfect model of global governance, and I would like to tell you that the E.U. lacks any sort of legitimacy or credibility, and any time the publics are asked whether they want more Europe and whether they want a common foreign insecurity policy, they actually turn around and say no. We have had several public referenda on things like the Nice Treaty, the Maastricht Treaty, and, most recently, the Lisbon Treaty. Ireland has said no, and under the E.U.'s own rules of success, this whole thing should go away now. However, the E.U. doesn't let something like democracy get in the way of the European project. It seems to me that the Americans are far more enthusiastic for a common foreign policy than the Europeans actually are, because they want Henry Kissinger's one line to Europe. So, I encourage you to rethink your enthusiasm for the European project, considering the fact that most European peoples don't want it, that the

E.U. isn't even particular popular at the moment. They have the lowest ratings that they've ever had.

MR. JONES: I'm going to guess that that question was for Javier.

Sir, in the center of the room.

MR. MITCHELL: Thank you. Gary Mitchell from The Mitchell Report. I want to say that I've spent a little time looking at the sort of action part of the action plan, and it raises two questions that I'd be interested in a response from whoever is the appropriate person on the panel. If we look at this in the way that we would look at a traditional business plan or strategic plan, you have many of the same elements. The two pieces that are missing, it seems to me, are, one, the notion that in the development of plans like this, one of the most important elements is that the owners of the enterprise are involved in the development of the plan itself. And then the second piece is what mechanisms are possible given the fact that we neither have nor want global government, what mechanisms are possible to monitor the effectiveness and -- on the elements of the plan that you've outlined in the action plan itself. I'd be interested in what the thinking of the panel is as to how you can sort of monitor this so that we get some sense of whether we're making progress and the right kind of progress.

MR. JONES: Up front. Microphone here.

SPEAKER: Yes, thank you. My name is (inaudible), advisor for Mr. Hatti in Lebanon. My question is concerning Lebanon, of course. There is lots of talk now about what to expect from the new administration, and the talk is about engagement, especially with Syria and Iran. Lebanon is for engagement with all its neighbors, because without engagement, without talk to its neighbors, Lebanon can never have stability. The question is for Secretary Albright. If you're talking to the new President and you want to give advice about engaging Syria and Iran, what would you say about preserving Lebanon security? How do you go about that, about preserving Lebanon security and independence, and the gains that the Lebanese people have gained for the last four years in this crisis that we've been going through? Thank you.

MR. JONES: Thanks.

Let's turn back to the panel for some quick responses to this round. We'll try to keep this brisk and do at least a couple of rounds of questions. So, let me start at this end, Strobe, and pick up on anything you want to, and we'll just move across the room.

MR. TALBOTT: Well, picking from the menu of the questions asked, the one -- they're all terrific questions. The one that

most provokes me to answer was really directed more at Javier, but you asked me to speak first.

I disagree with our colleague from the Heritage Foundation. I didn't hear anybody of any nationality up here use the word "perfect" to describe the European Union. But I would use the following adjectives with great confidence. The European Union is the most impressive, accomplished, and promising experiment in transnational governance on the planet today, and that has been immensely good for the half billion or so people of Europe. It has taken a huge swatch of real estate, which is as bloodied as any on the planet historically, a region of the world where there was a major war every generation from the 17th century on up to the E-day, and turned it into a zone of peace. No mean accomplishment. And it has done that through what Madeleine and I jokingly called the Euro-mess. But we did not use that term contemptuously. We saw a certain beauty and wisdom in the Euro-mess, and Madeleine's predecessors once upon a time trying to call her colleagues or their colleagues and counterparts in Europe wouldn't have found them at those meetings; they would have found them on battlefields or either planning to be on battlefields.

And as for the famous Kissinger question of all those years ago when Madeleine and Tom Pickering and I were in government, we

had Javier's home phone, office phone, and cell phone, and we knew who to call.

MR. PICKERING: Let me just do briefly India. No question at all there is controversy over the nuclear arrangement. The nuclear arrangement was a compromise on nonproliferation. We lost our commitment to full-scope safeguards in India, and we both gained an energy future, which is perhaps more useful for both sides, so that in light of Strobe's comments on climate change it is a contribution if it replaces coal in particular. That's the narrow end of the spectrum. I think that India, most people don't know, is committed to deal with the Fissile Material Cutoff Treaty. It's something that I think Strobe mentioned that the U.S. and Russia could lead on. Strobe mentioned their potential for participation in the Comprehensive Test Ban Treaty if we ever move off the dime on that. That's important. Beyond that, there is a broad scope for U.S. and Indian cooperation across the board. Certainly everything from military to commerce and one sees that there's a fairly unlimited set of possibilities. There are problems in the region. There are very sensitive problems, including Afghanistan and Kashmir. But closer relationships with India would, in my view, be helpful in reinforcing what has already begun, which is an intensive dialogue between India and Pakistan obviously with its own pitfalls and with its own falterings but

nevertheless moving ahead to try to move that problem, and it's A long way from what Strobe and I knew as Cargill, and that's a change.

I think on the question of the report, the report was prepared outside of government because in fact the present government didn't seem to be interested in preparing such a report, and it has all the frailties of something prepared outside in terms of ownership. The questioner is entirely right. I think the issue that he raises is a very interesting one. As far I know, there is always a possibility to these kinds of reports of adopting what industry does very well, which is to set metrics, and you've got certainly some explicit and some implied metrics in the report, and either using institutions that prepared the report or hopefully convincing governments that they should create their own institutions mark the progress against the metrics as a way of ensuring in fact that this report will be vital, will not die on a library shelf somewhere, and can make a real contribution in the direction of building security around the world.

MR. DERVIS: Well, the trouble with being on the same panel with Strobe is that I usually agree so strongly with him and he says everything I could say much better. But I do want to also touch on the Europe issue and again agree. I do believe for the main points that Strobe made in terms of the peace in Europe, the cooperation, it is a huge, human achievement which has few precedents -- I think has no precedent

in fact in (inaudible), but also, more specifically, the fact that there is (inaudible) Euro, the common currency, not in all of the E.U. but in a large part of it, that you can actually -- you know, it's a tremendous achievement, countries having given up the kind of sovereignty symbol of their currency, Germany particularly, you know, which was so fond of the Deutsche Mark, and I see signs in today's financial crisis that some who are outside the Euro zone are now rethinking that maybe it's not such a bad idea to be in part of the Euro zone, given the tremendous instability of exchange rates and particularly the problem for small countries and small currencies. The issue, of course, travel -- the fact that now you can travel freely from Lisbon up to Stockholm and, you know, that there is now the beginnings of a labor market that functions on the European scale I think is a tremendous achievement. And of course coming from Turkey right across the border, being kind of in and kind of out, it makes it particularly interesting.

But I do believe nonetheless that there is a political dimension to this and that if one wants the full support of citizens, then these processes of cooperation -- and this is another example. I think the challenge -- Europe also presents this challenge, and there -- you know, there is the truth that citizens don't feel part of it enough and therefore one has to deepen and widen politics, because politics -- democratic politics is

the source of legitimacy. Technocrats meeting in Brussels don't generate legitimacy, and there we -- a lot of work still remains to be done in Europe, but one thing that I want to add here -- and maybe that's part of the problem, that global mechanisms are becoming increasingly more important than regional mechanisms. To some degree -- I mean, regional cooperation is still very important, but many of the issues we are discussing, whether it's nuclear nonproliferation, clean energy, climate disease, financial crises, they're all global issues, and the fact that President-elect Obama, who was then still Senator Obama, went to Berlin and had hundreds of thousands of people in the street, that was a political event, and it was not a European, it was not a German, it was an American. And we need more of that. We need European politicians who could come to an American city and attract hundreds of thousands of citizens or Chinese, Indians. We need to create -- it will take time. It will probably take decades. But in order to make global governance and cooperation truly legitimate and effective, we will need to add the democratic politics that I mentioned to the technocratic and kind of government networks that we've built.

MR. SOLANA: I'm not going to be very long, because Strobe and Kemal have defended the case which to my mind doesn't need too much to be defended. But let me not look to the past. The success of

the European Union, vis-à-vis the tragic history of our continent, is (inaudible). What has been said by Kemal, the success also (inaudible) question about (inaudible) to the economy, like the construction of the (inaudible), which is very important in this critical moment and will continue to be. But we have been talking today for two hours already about something which is very difficult to match -- how global problems require global solutions -- have a contradiction and the contradiction is there, the contradiction with the legitimacy, as Kemal has said many times and I repeat once again. It is not in the global system. It is still local. It is more local, more (inaudible), and also resources. Now, I think the European Union is the best example today of how you can begin to resolve that contradiction, that you can have global problems, to be global on the scale of the European Union and (inaudible) globally on the scale of the European Union and at the same time not being perfect, as has been said, with all the (inaudible) legitimacy, but it's still distance in years light or farther mechanisms of legitimacy in other constructions of the international community. Therefore, the model is a model which is good for us, and I think it will be good for others, and that's why other parts of the world are beginning to rescind the European Union as a model. I don't have to go very far, but I remember when the ASEAN was trying to run the first "constitution". I don't know how many hours, days, and months they

stayed with us, trying to understand and trying to see how they could move on in that direction. The same can be said about the regions of the world. I think that this kind of molecular structure -- you allowed me to use that terminology for my (inaudible) -- is better than the structure which is genetomic and not molecular. A molecular world it will be better to handle than the opposite. And I think we are very bottom molecular, political molecular structure. Every atom of the molecule is distinguished -- U.K., Spain, Italy, carbon, oxygen, nitrogen -- we share elections that give the power. And that is what I think is a way in which the E.U. has to move on, and I'm very happy to belong to that molecule (inaudible).

SPEAKER: (Inaudible)

MR. SOLANA: Yes, yes, I'm sure. Very, very, very (inaudible). And I think Lebanon is going to be a very fundamental country the year 2009. The elections that will take place in Lebanon 2009 are fundamental. They have to be free and fair. And that will be, really, a very, very important step in the right direction from the solution of the problems in Lebanon. I think some important steps have been taken in last period of time. I think the fact that the president is there, the fact that the new government has been in place, but it's fundamental that the election in 2009 have realized free and fair.

MS. ALBRIGHT: On the Lebanon issue, I do think there's never been a question that the United States supports the territorial integrity of Lebanon and its independence and its democratic activism. I think that it is also important, though, for the new administration to actually talk to countries with whom we disagree. And that is a very essential aspect of a new approach of deciding that there are issues about which we can have a dialog. Dialogs aren't always pleasant, but in fact in terms of really dealing with the countries in the region that we have not dealt with. But clearly the territorial integrity of Lebanon -- and I agree with Javier -- the importance of the elections is essential.

One of the parts that I think I've really learned a lot about democracy is democracy has to deliver. People want to vote and eat, and the bottom line is that various countries when they have elections become -- the parties that often get elected are those that have constituencies that they deliver to, and I think that is a lesson for all growing countries and growing democracies. It's true of Lebanon and a lot of other -- many other countries, including the United States.

Let me just say on the measurement, I have a capability of rationalizing always that whatever it is I'm doing is more important than what I did before. It's a little more difficult in my case and then in fact -- but the bottom line is I think that one way to make sure about the metrics

of this is that organizations such as Brookings or various -- you've mentioned Tim Worth as being a part of this -- not everybody's going to disappear and go into the government. The bottom line is that there is a real role for nongovernmental organizations, think tanks, etc., to actually hold the new government's feet to the fire, and I think that that's where a lot of the measurements and things will come from. And I think that that is an additional task for not just this organization but a lot of others, because I think you then still continue to have the objectivity and credibility to say you're not doing this, you said you would, we think you should.

And I -- just as a case in point -- I honestly think that I as Secretary of State was probably as good on human rights as anybody, but the human rights organizations would come in and say why aren't you doing this and why aren't you doing that, and I said I have to what I have to do and you have to do what you have to do. And so I think that there's a continued mandate for this kind of organization.

MR. JONES: Thank you very much.

We're going to go back to the floor. I think we'll have time for one more round. Perhaps not true. This time I'm going to work from the front back, and I'm going to call first on Edward Mortimer, who just hosted a major consultation in Salzburg on similar topics, and Edward, any comment or reflection for our panel?

MR. MORTIMER: Thank you. First of all, I'd like to say on behalf of the Salzburg Global Seminar that it was a great privilege to be associated to some degree with this exercise, and I attended some of the meetings, and we had Steve Stedman in Salzburg in the summer and we had Carlos there last week when we had a long planned exercise of bringing together Europeans, Asians, and North Americans in the week immediately following the U.S. election. Of course we had to plan it long before knowing the result, but on the assumption that some sort of new start would be possible with the change of administration in January 2009 that we -- this was devoted to United States in the world new strategies for engagement, and you will see that's an agenda which overlaps to a considerable degree with the one we've been hearing about. The memorandum, which is called "Roadmap for Reengagement, the World's Advice" -- perhaps a little pretentiously -- "the World's Advice to the New Administration" is on the table outside, and I do hope -- it's only seven pages. It's even shorter than this excellent plan, so I hope people will take the time to look at it.

I do also have a question. At the meeting in Berlin, which I think has already been mentioned, last July, Dr. Pachari was asked whether he thought that the civilian peaceful use of nuclear energy was a vital contribution, as I think Strobe implied, to dealings in defeating or

mitigating climate change, and he gave an answer which struck me as more diplomatic than scientific. He said he thought that was something for each sovereign state to decide. It doesn't go down very well in places like where I live now in Austria where you have sovereign states very, very close to each other and immediately affected by whether the Czech Republic in Austria, for instance, take different views on this. I would be interested to know whether members of the panel have a view on whether this can be left really to nation states or whether there doesn't have to be some sort of global decision to fight climate change with or without this crucial weapon. Thank you.

MR. JONES: In the center -- Eric.

MR. ROSAND: Hi. I'm from the Center on Global Counterterrorism Cooperation. I'm on Eric Rosand. I found it interesting that in a discussion basically about global governance and a plan of action, putting forward ideas, nearly every one I agree with, there's no mention of the most representative body in the world, which is the General Assembly, and it's -- I think one of the challenges going forward for the U.S. as it tries to reengage is how it can make something -- how it can be seen as more productive in that global forum and sort of minimize the tensions that have existed going well back before the Bush administration between the West and the nonaligned movement and the G-77, so I'd be

interested particularly in hearing from the former U.S. officials up there whether they think how that could be factored in to a effort by the U.S. to reengage and how important that is in that effort.

MR. JONES: Gentleman in the middle of the room over here.

MR. WOOTEN : Hello. My name is (inaudible) Wooten. I'm a (inaudible) Johns Hopkins here in Washington. My question is -- first of all, thank you for this great opportunity. My question is on legitimacy and (inaudible) people, so here we heard some very good points. I want to try to connect that to this kind of (inaudible) for action, because action is that we have to act now, right, to solve these kind of problems we have. So, if you have to give an advice to President-elect Obama or to the heads of state in governments of the European Union or the members states how to put into shape this kind of plan, what would you tell them? For example, this problem of expectations. President-elect Obama was really very successful in reaching people and has a great many expectations, expectations in the U.S. from the citizens, but the expectations around the world, which means on foreign policy with U.S., and this of course can be in big contrast. So, what would be your advice how to explain this kind of plan to the people and to involve them to support it, and this is the source of legitimacy finally. Thank you very much.

MR. JONES: Thank you.

Right beside you.

MS. OZERT : Thank you very much. Ahu Ozert from CNN Turkey Millyet. Mr. Kemal Dervis, it's always great to have you here in Washington, and I know lots of people from Turkey are, as we say, ringing your ears these days now that we're negotiating sort of an IMF plan.

My question is would you see a new restructuring of the financial architecture after all this crisis sort of settles down, and a new system of Bretton Woods II or are we talking something completely different right now?

MR. JONES: Thank you.

I'm going to go to the back. Sir?

SPEAKER: (Inaudible) NT television. My question is also for Kemal Dervis and a follow-up to the previous one.

Sir, given the worsening effects of the global crisis, would you recommend Turkey to reach a fresh standby deal with the IMF soon? Thank you.

MR. JONES: I think we can take two more and then we'll come back -- oh, no, I'm being told we don't have time to take more, so we're going to come back to our panel, and I think this time we'll go in the reverse order, if you don't mind, Madam Secretary to start us off.

MS. ALBRIGHT: Well, I think on the issue of legitimacy and getting to people, I do believe that what you're going to see in the United States is a President who is going to spend a lot of time talking to the people, both face to face and through the technology that was developed during this campaign, very much in a way of really including people in an honest way of explaining the variety of problems and really trusting for the common sense. I think the same thing needs to happen throughout the world where there is just much more dialog, and I think that the technology of the day allows feedback to go back and forth. What I think we have not done enough of -- and this is an issue on the global governance issue -- is how do you not only have governance at the top but try to involve bottom up, and I think that is one of the big challenges, because you cannot make this work if there is not the legitimacy of the people involved in it.

Now, that requires -- and I have yet to be in any discussion anywhere where it doesn't end up talking about the media. The media is responsible for everything that is wrong, because of -- the bottom line is I think our media is in the most incredible set of possibilities for dialog back and forth and it has to in fact, I think, be more informative and be part -- be adversarial, which is the job, but also be informative. And so for legitimacy I think you need to have an educated population, and you need to have leaders who level with the people.

MR. SOLANA: On the nuclear issue, I was in Berlin, I remember very well that expression, but I don't think it was an expression out of trying not to answer. I think for anybody with a scientific background (inaudible) a nuclear production of (inaudible) nuclear means is something that is necessary and is necessary because of the -- combined with a commitment that most of the counties have taken as far as (inaudible) is concerned and will not be done otherwise. But it doesn't necessarily will be the only way. In the mix, it will be nuclear energy (inaudible)

And from the point of view of security, what you have said is absolutely clear. The countries which are very close to another did suffer the same risks that they are -- that they -- (inaudible) nuclear power plant (inaudible), and eventually that will make headway without any doubt. I think that the tendency is going to toward more nuclear, not to all nuclear but to more nuclear. And all the problems that that (inaudible), as Strobe has mentioned. But I think in any case if we are to make compatible protection for the environment and production of energy, it will be nonsense not to continue nuclear.

MR. JONES: Kemal.

MR. DERVIS: On the nuclear issue very briefly, I think it is part of the answer, but there are two big issues that need to be resolved.

Both Javier and Strobe have mentioned it, at least the second one. There is still the technical issue of waste disposal, which we haven't solved, and that's a technical issue. You know, it remains an obstacle. But of course, the second big issue that it has been linked to the whole nonproliferation and peaceful use and monitoring of that, and without solving that we can't make it an essential part of the low carbon economy.

On the financial issues, let me again give the example of contagion. When there was avian flu, the World Health Organization -- with many nation states, with the European Commission, with the U.S., with (inaudible) because we're working at the country level -- we built a containment strategy, and we shouldn't, you know, say it's total victory yet, because the virus is still there, but that contagion was controlled by international cooperation. And I think citizens wanted this, understood it, and were totally backing international cooperation. But what we saw in the financial sector is another form of contagion, and we need similar mechanisms. We need the kinds of mechanisms that stop, contain, and then of course solve the crisis. And the kinds of actions that the World Health Organization very legitimately undertakes in the domain of health are also needed in the domain of economics and finance, and for that, you know, strengthening the institution at the center of this, particularly the IMF, but also making it more legitimate by having the representation and

the weights reflected 20th century are again absolutely necessary. So, we again get a link between the effectiveness of policies and the legitimacy of governance. These two things are intimately linked, and we have to make progress on that to master this crisis, to overcome this crisis.

When you think about it for a minute, it's incredibly sad. Thankfully, we have not gone through a nuclear war. We have not had a huge epidemic. And yet because of lack of governance, lack of appropriate regulation, hundreds of millions of people will face tremendous hardship because of this economic crisis. Just because of economic and financial factors. Nothing real has been destroyed. The skills are there. The factories are there. The service providers are there. The knowledge is there. Even the capital is there. I mean, the resources are there. But we're facing a huge challenge, and the answer here -- and the question is, I think, we're going to have to face it, things are going to get worse in the coming months, but there is then the choice of coming out of it rapidly or getting stuck, and I hope that by joining forces we can get out of it rapidly.

MR. JONES: Tom.

MR. PICKERING: On the nuclear question, I'll just say that's been well covered. I think there are no energy sources which don't have some cost, whether it's scarcity of petroleum, environmental and climate change damage of coal, and so on. I think it really is -- Mr. Pachari's view

-- up to countries to decide. I agree with Mr. Dervis that both nonproliferation and the back-end of the fuel cycle have to be dealt with. I don't think they can be finally forever solved, but I think you can find ways to move ahead that will give governments and peoples confidence that that will be the case.

I think that on the United Nations General Assembly, which is what I understood the question to be about, my view is that a positive agenda on the part of the United States and others would certainly help in relieving some of the dyspepsia that displays itself frequently in the U.N. General Assembly and some of the fecklessness. A good bit of that tends to circle around the fact that the Assembly is used as an alternative, because the Security Council isn't available to deal with the Middle East Peace Process from time to time. Were we to have I think a more forward position on the Middle East peace process, it would help, but it's not the reason to have such a position. The reason to have a position is to try to resolve the Middle East crisis.

And then I would finally say what can be done to move this kind of a report ahead. Well, I think the first thing is obviously to adopt it or large sections of it as part of the policy and to use the public platform that the President has to set those out either in one go or through a whole series of activities and then the simple but very difficult problem in

execution to mobilize the government and the leaders within the government to make sure in fact that the policy is pursued and carried out.

MR. TALBOTT: I guess my only final thought would pick up directly on what Tom just said and also is in the spirit of several of the questions and Madeleine's answers in particular, and that is the need for what is -- might -- I don't want to upset the Troika here, but maybe there should be a Track 5 as well, which is domestic constituency building. What I call them -- it's a deliberate contradiction in terms -- leadership from below.

Madeleine has referred to the importance of the NGO world, the corporate world. We have every reason to think that President Obama when he assumes office will use the internet and make the transition from using it as a campaign mechanism for engaging his voters to a governing mechanism for engaging the citizenry, but there is another piece here, which resides with civil society itself and an informed activist and engaged citizenry not just supporting tough decisions that the leaders on high take but also pushing them to take those decisions.

MR. JONES: Well, listening to the panel, I think you can discern one of the principal motivations for Steve, Carlos, and I to engage in this project, which is we get to spend time with people like this and profit from their wisdom and their experience. I think our presentation and the

panel have highlighted that some of the principal threats currently facing U.S. national security and our economy and even our survival are transnational in nature.

The need to contain other states and to deal with military threats will continue, but the issue of cooperating with other states to tackle transnational issues will loom ever larger in U.S. foreign policy. Our view is that we can get ahead of those threats and prevent their worst effects if we start working towards an international order built on the recognition that national security is now interdependent with global security, an order that is animated by the marriage between power and responsibility.

We've heard about obstacles to the kinds of agenda we're putting forward in terms of costs, in terms of constraints, both domestic and international, a fifth track that Strobe just talked about, in terms of the attention that will be sucked into dealing with the financial crisis, ongoing crises in the broader Middle East and other places. But I think we've also heard that it's only by investing in these kinds of approaches in international order and its concepts and its institutions in the process of identifying shared long-term interests between the major and the rising powers and getting ahead of these threats that we can grapple with them

effectively and actually protect our sovereignty. As Kemal said, if we're not acting internationally we're not effective as sovereign states.

In short, we need a proactive agenda. We hope that we've provided some elements thereof of a platform, as Madam Secretary described it, for moving ahead on these crises at a moment when we have a unique opportunity to capitalize on this and to move this agenda ahead.

It only remains for me to thank all of you for being here to help us launch this plan of action and to thank our very distinguished panel for sharing time with us today.

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CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

/s/Carleton J. Anderson, III

Notary Public # 351998
in and for the
Commonwealth of Virginia
My Commission Expires:
November 30, 2008