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POWER AND RESPONSIBILITY: BUILDING INTERNATIONAL ORDER IN AN ERA OF TRANSITIONAL THREAT

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P R O C E E D I N G S

MR. PASCUAL: While we're finishing up miking everybody up, let me extend a word of welcome and thank you for joining us today. My name is Carlos Pascual. I'm one of the vice presidents of The Brookings Institution. I'm the director of the Foreign Policy Studies program here, and it's been my pleasure to be one of the co-directors of the Managing Global Insecurity Project and a coauthor of the book that we're launching today, *Power and Responsibility: Building International Cooperation in an Era of Transnational Threats*.

This is really a milestone for the Managing Global Insecurity Project. It's a project that has been jointly sponsored by The Brookings Institution, by Stanford University and New York University. I've had the pleasure of working on this with two great friends and colleagues who are at the end here, Steve Stedman and Bruce Jones. Steve is a Senior Fellow at the Center for Security and International Cooperation at Stanford University. He had previously served as an Assistant Secretary General at the United Nations and worked very closely with Kofi Annan in putting together the high-level panel on Critical Threats and then seeking to move aspects of that to the United Nations process in 2005.

Bruce Jones also had worked with Steve at the United States at that time, had been involved in the U.N. for many years, particularly on the Middle East and is now the director of the Center on International

Cooperation at NYU.

In order to make this event, we have an opportunity to have a discussion with an extraordinary group of people. Among them are Sandy Berger, the president of Stonebridge International and former National Security Advisor of the United States; Rich Armitage, president of Armitage International and former Deputy Secretary of State, among other positions that he's held; Sadako Ogata, who is currently the president of the Japan International Cooperation Agency. Many of you may have known her from the time when she was the U.N. high commissioner for refugees and was one of the most distinguished Japanese state's persons; and then Strobe Talbott, my boss, the president of The Brookings Institution and the former Deputy Secretary of State.

I guess except for Mrs. Ogata, all three of these people were at times my bosses, so thank you for putting up with me and thank you for participating in this session.

Let me just say a couple of words about the Managing Global Insecurity Project, then I'm going to turn it over to Steve Stedman, who's going to tell you a little bit more about the book and some of the critical recommendations that we made there.

We'll then come back to the panel and have a discussion about some of the big themes and issues with our panel. Bruce Jones will

add some incisive commentary and questions that he will point out, and then we'll turn to you for a discussion together with all of us on some of these key issues.

So if you have the patience to stick with us through that process, I hope it will be a process that is both interesting and enjoyable for all of you.

When we set off on developing this project of Managing Global Insecurity, we asked the question: What's going to be necessary to create an international framework that can underpin peace and stability for the next 50 years? And when we asked that question on one hand we scared ourselves and basically felt, you know, how could you ask something that's so big, and we just simply being arrogant in asking that question?

And on the other hand we said, you know: What if people in the 1940s had not asked that question and we had not developed the U.N. system and the Breton Woods system and created the foundation that became the foundation for peace and security for the following 50 years? And do we not need to begin to update this process? And so that's what brought us into this project.

As soon as we began then realizing this and thinking about it, well, we recognized this: this is so huge that there is no way that we, as

three people -- Steve, Bruce and I -- could come up with reasonable answers on this, so we immediately did what you do in Washington. You create a committee. And so we reached out and we thought about who are some of the smartest practitioners and thinkers and academics who we could potentially involve and ask to join us in some form of a project like this, and we reached out to a bipartisan domestic group and an international group that had representatives from all over the world.

And we're greatly flattered that these four individuals, Mrs. Ogata, Rich, Sandy, and Strobe agreed to participate in the domestic and international groups, and there are quite a few number of others. And if you -- many of you have picked up outside what was called an action plan on Managing Global Insecurity Project, and inside you'll see a range of the people who have been participating with us throughout the process. And we are extremely indebted to them for being -- for providing their advice throughout.

In order to do this, one of the things that we felt that we had to do was also to solicit views from around the world, and in undertaking the project, we felt that it couldn't just be an American perspective about what a future international system was like, although an American perspective was critical. We had to, in fact, reach out to others, and so in undertaking our research we went to Japan and China and India and Southeast Asia,

the Middle East, various parts of Europe, Mexico City. We met with African representatives here in the United States, and then obviously many different parts of the United States to solicit input and views.

And so while we can't say that we adequately and fairly represent everybody's perspectives, obviously, tradeoffs had to be made, and as we indicate in the preface of the book, if there are any serious mistakes, they are the results of the other coauthors. We really tried to build up something that could become a foundation that can be moved forward by the international community and which represented some degree of the tradeoffs that are necessary to reach a set of understandings in international security policy that may not be perfect solutions, but potentially could get us to better outcomes so that we can start to create what would be much more of a virtuous cycle where cooperation can lead to better outcomes over time, and the confidence that we start to build to that better set of international cooperation could get us to better solutions.

So to help you understand what some of those issues were and how we approached this research, let me turn to Steve Stedman and ask Steve to take this conversation to the next stage.

MR. STEDMAN: Thanks, Carlos, and thank you all for coming. If you look up to your right, that's the cover of the book, and those are, in fact, the storm clouds that President Obama referred to in his

inaugural address.

The genesis of this book -- and, by the way, the fact that all the errors in the book are the coauthors' and not our own -- my feeling after doing this for two and a half years is that before anybody can get up and pontificate about the value of cooperation in international affairs, they should pay their dues by coauthoring a book. All right? That gives them credibility.

The genesis of the book comes from several years ago back in 2005 when Bruce and I were working at the United Nations for Kofi Annan, and our interlocutor on some issues regarding conflict and peace-building was Carlos. And when we all left our respective jobs -- Bruce and I left our jobs at the U.N. in October in the fall of 2005. Carlos had left his job at the State Department earlier than that.

We all shared a frustration, and the frustration goes something like this: The United States uses international institutions every day in places that matter to it and on issues that are important to the security and prosperity of the American people. You would never know that from the statements that any politicians in Washington and certainly the American public doesn't seem to be aware of it but it is true, and we give quite a few examples in the book how on a daily basis the United States makes demands of international institutions.

The frustration comes from the fact that those institutions are not as effective as they should be or can be and that these institutions do need to be stronger, and the United States has every right to want international institutions to be stronger. But we found that, certainly at least in the Bush administration, it had no idea how to get better international institutions; it had no idea how to get stronger international institutions, and perhaps, you know, evidence -- you know, the first evidence would be sending John Bolton in 2005 to negotiate reform of the U.N. It's probably not the most effective way to get stronger international institutions.

On the other hand, the other frustration came from the fact that after two years at the United Nations -- and for Bruce it was longer, several years at the U.N. -- we also realized that international institutions, if they do not serve the interests of powerful states and if the powerful states are not willing to put their resources and their own power at the disposal of international institutions, these institutions become hollow. So that's the conundrum.

So this book is an attempt to do a couple things, and it is aimed primarily at American foreign policy. That was our intention was to aim at American foreign policy, but we wanted to bring a larger perspective. And we wanted to bring realism into the 21st century, and we wanted to bring international institutions into the 21st century.

Now, by realism into the 21st century, what I mean is that, you know, we still think that, still believe that states are the primary actors in the international system; that power and interests still matter. But unlike the 20th century, the great source of danger and insecurity is not from other powerful states but from transnational threats, transnational threats such as climate change, catastrophic terrorism, economic instability, civil wars, and the collapse of states themselves, biological threats like deadly infectious disease, threats of pandemic and the possible misuse in the future of biotechnology.

Now, these transnational threats structure international relations in a different way today than in the past. First of all, they create an intense security interdependence. American security is interdependent with global security. The United States has the most powerful -- we still believe the United States is the most powerful state in the international system, but it cannot defend itself against any threat to its security unilaterally. The United States depends on sustained robust international cooperation to defend itself against a host of threats. So there is this basic fact of security interdependence coming from transnational threats.

Now, it's not that national rivalry and state aggression are irrelevant; it's the security interdependence means that most states are status quo or revisionary states; that is, they want reform to the international

system, and there are, in fact, very few revolutionary states, and they're not the most powerful states. Moreover, most states in the world see cooperation as in their national interest, and this is very important.

Power still matters, but power is more diffuse and uncertain today than certainly in the past 40 years. There are more veto players in the world on a whole host of issues. It is not just that America is in relative decline as Fareed Zakaria or Richard Haass have written, and it's not just that you have a whole host of emerging powers like China, like India, like Brazil; it is that power is diffused so that it matters by issue area and in some circumstances states may be the primary actor, but nonstate actors can have immense power and leverage when it comes to issues such as biological security, or the economy, or climate, and that order itself can't be derived from traditional ideas about balance of power. Balance of power is insufficient because of the premium on cooperation amongst powerful states today.

So order has to come from a different vision, and in the book we put forward a vision of international order that first of all upholds and defends the sovereignty of states but insists that sovereignty, like freedom, entails obligations and not just privileges and prerogatives, and we call this vision responsible sovereignty. And we use this term "responsible sovereignty," in three ways:

First, from work that was done here at Brookings back in the 1990s by a man named Francis Deng, a former African statesman, who talked about the responsibilities of sovereign states, obviously to their own citizens to promote their dignity, but also responsibilities to other states and to one's neighborhood, and if need be, to other states' citizens, if states are completely irresponsible in meeting their needs. And we add a third level of responsibility, is that states have to take responsibility for the international impact of their domestic policies in action. So that's sort of a triumvirate, if you will, of responsibilities.

Now, what we do in the book is we didn't sit out in California, out at Stanford, and come up with a whole host of responsibilities for the world. What we insist in the book is responsible sovereignty has to be negotiated by states. The content of responsible sovereignty has to be negotiated by states, and, fortunately, across a whole host of issues that we look at in the book from climate change to biosecurity, to nuclear nonproliferation and disarmament, to civil wars, to counterterrorism, to economic stability, states already have put in place some basic parameters of responsible behavior. In some issue areas it needs to be extended; in some areas it's a question of compliance, but at least that there's a basis there to start with. But the insistence is: States much negotiate these responsibilities.

The argument of the book is that to get an international order that is built on responsible sovereignty that will address today's transnational threats, you need four things. First, you need U.S. leadership that it's the argument of the book that these things will not happen, you will not get greater sustained international cooperation to address transnational threats unless the United States takes the lead.

We found in our international consultations around the globe that there was an acknowledgement of this in capitals and that there was an acceptance of this if the style and content of American leadership truly reflects building international order in which everyone's security and prosperity is a main goal of the endeavor.

The second part of the argument is that beyond you know, U.S. leadership you need institutionalized cooperation among the United States traditional powers and the emerging powers. And in the book we discuss ideas that have been out there, but we endorse the idea that you need to move beyond a G-8. We argue in the book that you should create a G-16, which would be the G-8 plus, you know, what is called the "outreach five," which is China, India, Brazil, South Africa, and Mexico, and we also add three other states, Muslim majority states Indonesia, Turkey, and we say either Egypt or Nigeria.

The idea here is that you create a pre-negotiation mechanism,

if you will, for tackling a host of different problems on which all of these states, in fact, are players. And many of them can veto larger solutions unless you have them on board. So the idea is you institutionalize cooperation amongst the G-16. In some ways the number is not as important as broadening out beyond the G-8. It doesn't matter if it's G-13, G-16, G-20, the key here is putting, you know, putting the G-8 to rest, moving on, and trying to start to create mechanisms in which the traditional and emerging powers can sit down and construct shared interests across the whole host of transnational issues.

The third part of the argument is U.S. leadership, institutionalized cooperation amongst traditional and emerging powers. Third, you need them to negotiate standards of responsible sovereignty across a whole host of different issues. Again, were not going to insist on what responsibility it is, it has to be a negotiated process.

And then fourth, once you have those negotiated standards, you have to bring these back to larger international institutions both for legitimacy, but also to invest in those institutions because many times you're going to use them to try to deliver and implement on the agreements that you forge. So again, you know, U.S. leadership, institutionalized cooperation among the United States traditional powers and the emerging powers like China, India, Brazil, South Africa, Mexico, negotiated standards

of responsible sovereignty and investment in strengthening of international institutions.

I want to conclude on the fierce urgency of now. And I want to emphasize that the fact, the fact of interdependence does not in and of itself produce cooperation. In fact, what scholars of conflict have said for at least 50 years is the fact of interdependence produces conflict. Cooperation is a strategy for dealing with that conflict. Interdependence creates at least a bargaining space and incentives for solutions in which both parties or all parties are better off. So again, the interdependence that we have now does not, in and of itself, lead to cooperation; it produces conflict and cooperation is a strategy.

When we wrote this book, we had no idea, no prediction of the economic meltdown that was to come, but we did have a sense that on a whole host of transnational issues that it would be very easy to see a meltdown that came about from global warming to catastrophic terrorism, to deadly infectious disease where there's an institutional failure to find cooperative solutions on key transnational threats.

The need for U.S. leadership when we wrote this book, we felt was both important and necessary and we feel even more urgent today. And that's because of something alluded to in a recent article that was in Foreign Policy, in most recent issue of Foreign Policy where they ask

several IR scholars to talk about what is the key thing that, you know, President Obama has to keep in mind? What kind of threats to come out of nowhere that he should keep in mind. And Bob Cohayne said somebody ought to be thinking about the fact that the greatest impact of the depression of the 1930s was not economic, it was not jobs lost, livelihoods shattered; it was political. It was World War II.

And that's where we are today, the sense that it is very easy to imagine that a failure to deal with a host of financial issues that demand international cooperation take a conflictual turn, you see countries turn inward, you see the rise of economic nationalism, you see countries going their own way, and you could easily imagine the equivalent of an international run on -- the international equivalent of a domestic run on banks. That is, international institutions run on trust, on confidence. If that trust and confidence disappears, it's not just in the economic realm, it can go across the various issues that we cover in this book.

So that's where I'm going to finish, the fierce urgency of now, and the need for U.S. leadership is even greater today than when we wrote the book last year. Thank you.

MR. PASCUAL: Steve, thanks, terrific, and I think to pick up on this theme of this conundrum of interdependence and the fierce urgency of now that it creates, yet at the same time the pressure for a vision.

I want to start with Sandy Berger and Sandy give you the small, simple, and easy task of bringing these issues to bear on the broader Middle East. Because, as Steve argues, that in many ways many of these problems, in fact, you actually see converging in the Middle East, the reality of conflict issues over, tensions over borders, questions of terrorism. There are certain energy issues that are clearly at stake. Environmental questions and water are centrally involved. The threat of nuclear proliferation is also a central factor, and balancing the short-term crises with a vision of how you can get out of this is really one of the toughest issues, I think, in the management of foreign policy. And if you could help us begin to think through that.

MR. BERGER: Thank you, Carlos. Power and Responsibility make a compelling argument for American engagement in the context of international cooperation, and even since the publication of the book just weeks ago, the opening days of the Obama administration and the imminent withdrawal from Iraq creates new opportunities for both of these.

The book describes the Middle East as the hardest case. It's also the most important case because, as Carlos said, it's where all of the transnational threats come together: terrorism, nuclear proliferation, access to energy, water scarcity, rise of poverty, galloping demographics. It's also where U.S. credibility has been most seriously strained in recent years and

where American leadership is badly needed. And the best example of that is the Middle East peace process. Our absence over recent years has created a vacuum that no one else has been able or willing to fill.

So U.S. leadership is back but we need regional and international approaches to the interrelated challenges of the region. The rise of Iran and the threat that it poses to the moderate Arab nations and to Israel and to the nonproliferation regime, the stability of Iraq and Afghanistan, the spread of radicalism and the strength of Hamas and Hezbollah, the terrorist threat not only to us and to the West but also to nuclear-armed Pakistan. And the economic risk that comes from a region of gross economic inequality, unprecedented wealth, and a population where 35 percent are under the age of 15, so for all of our new-found activism we need to embrace multilateral strategies for dealing with these issues.

Let me start with the Middle East peace process. It's the best example of the need for American leadership because Israel trusts us and for that reason the Arab nations look to us. But the landscape has fundamentally changed since Camp David I or Camp David II, which were fundamentally American enterprises. Today progress is a tapestry of a lot of different enterprises.

In Gaza we need Europeans to seal the borders so that we

can resume safe passage. We need Egypt to stop the smuggling and to broker an agreement and an arrangement between -- an acceptable arrangement, between Hamas and the Palestinian Authority. International efforts are needed to rebuilt Gaza. In the West Bank Tony Blair's effort to achieve economic progress has shown measurable progress, as have the efforts of the Americans and the Europeans and the Jordanians to train the Palestinian Authority security forces.

The quartet plays a role and will continue to provide political direction. The Arab world is essential because it provides political cover for the Palestinians and incentive for the Israelis to reach an agreement.

Turkey is now taking the lead on the Israeli-Syria tract, and, ultimately, if there is an agreement, some kind of international presence will be needed, so that for George Mitchell it's not simply a function of being a great negotiator; he has to be essentially an orchestrator of all of these actors and often discordant symphony.

In Iraq, it's another example of the interrelationship of American leadership and international cooperation. Our new focus on Afghanistan cannot lead us to take our eye off the ball in Iraq. American leverage is diminishing with our withdrawal, but we still need to push the Iraqi players to cooperate on oil revenue, on federalism, on territorial disputes between Arabs and Kurds on Kirkuk. Any one of these things can

unravel the progress that we've made up till now.

But we also need the buy-in of Iraq's neighbors, and I think the time has come now to form an Iraqi contact group which would consist of the P-5, the E.U. the U.N. and Iraq's six neighbors to gain commitments to respect the territorial integrity of Iraq and for noninterference in Iraq's internal affairs.

Our military has done all it can in Iraq, but we can't let our own differences over the war cause us now to snatch defeat from the jaws of victory. Iraq in 2009 cannot become Afghanistan in 1989 or Afghanistan in 2002 when we walked away too soon.

Let me say another words about Afghanistan. It's obviously the most difficult regional challenge we face, but what's at stake here is not just Afghanistan but also NATO. Afghanistan cannot become America's war, and the greatest military alliance in history, having committed its prestige to Afghanistan now cannot fail without profound damage to itself.

A word about Iran. The starting point is the reassertion of American leadership through a tough, sustained engagement. Senator Clinton has been laying the ground -- Secretary Clinton, excuse me -- has been laying the groundwork for that for the past few weeks. We can't subcontract our interest in Iran. The Iranians will only make a deal in the context of American engagement, but like these other issues I have

mentioned, progress requires the leverage of others, in this case the Europeans, the Russians, and the Chinese, agree that they will impose serious sanctions on Iran if our diplomacy fails.

And we also need to assure the Sunni Arabs and the Israelis that our engagement with Iran will not result in the enhancement of Iran's hegemony in the region.

Apparently Power and Responsibility makes the argument that in parallel to these individual negotiations there should be the creation of a regional mechanism that brings together the nations in the region for a purpose of security assurance and economic cooperation similar to CSCE in Europe in the '70s. I think this is worth pursuing. I think it only comes in the context of recognition of Israel and normalization with Iran. But it could provide incentive to both those countries to make progress.

So, in short, it's a daunting agenda. American leadership is back, but it must be imbedded in close cooperation with others in the region.

MR. PASCUAL: Sandy, thanks. Let me pose one question and see if any of my other colleagues on the panel would like to raise anything as well.

The issue of dealing with the Palestinians is obviously become one of the most -- one of the biggest conundrums that's being faced today, and especially the difficult for the United States of dealing with

Hamas. And you point to the need of needing to deal with other partners to help address these questions. That perhaps is one of the critical examples where certainly the Arab states have much greater flexibility in being able to address these issues.

Do you want to say a little bit more about that, the question of how critical this issue is of being able to get some coherence among the Palestinian side and then what the role of the international community can be in that, particularly the neighboring states?

MR. BERGER: Well, it's heard to achieve a peace agreement if you don't have two parties. Right now we have a question about whether we have any parties. We have to see how the Israeli government forms and what direction it will take with respect to the peace process. I'm hopeful that a new Israeli government will remain committed to the peace process.

On the Palestinian side, it's obviously very difficult to proceed with a fractured Palestinian population. The Egyptians have taken upon themselves to try to forge some sort of arrangement between the Palestinian Authority and Hamas. It would have to involve Hamas acknowledging and agreeing to the Palestinian Authority continuing the negotiations, and, implicitly, in reaching such an agreement, they would be agreeing to deal with Israel. And that I think would be, hopefully, would be sufficient to be able to engage them in some sort of a negotiation.

MR. PASCUAL: Um-hmm. Rich, maybe you can sort of draw from that into another example, a different point of the region. Sandy mentioned Iran, the difficulties of dealing with Iran and the importance of having other partners involved, and two of those partners that eventually are going to make a difference are going to be Russia and China, Russia in particular being critical since they have been engaged for a long time in nuclear cooperation with the Iranians.

They're also parties, both of those parties, that you've spent a lot of time in your career working with. And you get into conundrums at times where some are basically saying, Well, if Russia is going to be a renegade partner in the international community, maybe we just shouldn't have them as part of the international community; and then others who make the argument that, how can you, in fact, actually solve any major problems in the international community if you don't bring them in? And similar kinds of arguments emerging on China.

Do you want to speak on this issue from your personal experience of trying to build international cooperation?

MR. ARMITAGE: Yes, thank you, Carlos, and I particularly thank you for letting an unemployed Republican come in from the cold. It's very kind of you. (Laughter)

If I were to give this presentation four or five months ago, say

prior to September, it would be a lot different that the one that I'm going to give today. I will speak a bit about China and Russia, and let me answer the question you just posed: In my view, it's always better to have a country encumbered in the international community in part of it rather than pitched out. All of the comments, the loose comments during the campaign about throwing Russia out of the G-8 was silly. First of all, we don't own the G-8, but beyond that, it's always better, I think, to have countries inside an organization than out.

On China, what an irony if we were always for them, well, six months ago talking about the re-rise of China -- it's actually the re-rise. For 18 of the last 20 centuries China's economy was the largest in the world. And I grant you they've had a couple of rough centuries, but they were poised, they overtook Germany, the No. 30 economy in the world, and they were really looking for their place on the world stage, and now this meltdown. I think it is fundamentally caused from rethinking in China.

Beyond that, the Year of the Rat in the previous year was not very kind to China what with snow storms and earthquakes and droughts and financial meltdowns, and except for the very successful Olympics, it was a pretty bad year, and one has to wonder if the Year of the Ox will be much better for them.

The Chinese, from my point of view, in my point of view, are

fundamentally rethinking whether they want to join the West or whether they want to vie for leadership in Asia and marshal some of the other countries to form a new grouping. It is a fact that an authoritative government with a relatively command economy has some attraction for some nations in the world. And if, in fact, China is able to come out of this economic difficulty more quickly and more stoutly than we are, it's going to have some real reverberations, I think, in the international community.

China is in change itself. Their foreign policy is changing. Six months ago, eight months ago, and I'd have been sitting here saying, you know, the foreign policy priorities of China are Taiwan, Xinjiang Province, particularly the Uyghurs in Xinjiang and Tibet. Now that's reversed. It's Tibet number one.

We're coming up on, as it was written in the paper today, a whole series of anniversaries for China, the 60th anniversary of the People Republic of China; the 50th anniversary in a couple of days of the invasion of Tibet; 30th anniversary of relations with the United States and the Taiwan relations; 20 years anniversary of Tiananmen: and, frankly 10 years since we put a missile by mistake into their embassy in Belgrade. So there are a whole host of events coming up, all of which in Chinese minds are going to require some serious management.

But it's the question of Tibet that is really wrapped, got them

wrapped around the axle now. For 50 years they've demonized the Dalai Lama, and now when they find that the Dalai Lama is actually the more moderate person, they can't find a way to speak to him. China for their part is quite afraid of what they refer to as "Hanastinization" of the Tibetan population inside of China. It's quite a worrisome, particularly with text messages and cell phones and what not. They don't know if they can control this when they feel the Tibetan citizens have gotten quite a bit more unruly.

It is, I think -- well, what we're seeing today and yesterday in our news, and we saw the Chinese naval ships playing bump and run with our geographic survey ship. This is an attempt by China to expand her strategic gap. This is what she's trying to do, and I can guarantee you one thing: China is not going to subcontract the sea lane protection to the 7th Fleet because of something you just referred to called they have an absolute need for energy, and they're going to do absolutely what they need to do to secure that energy, whether it's relations with Iran, which I think argues very poorly for their ability to help us on the Security Council, or whether their relationship with Sudan, which is about oil, or whether, frankly, it's their relationship with Venezuela, which is also about oil.

So from China's point of view, a nation which desires stability above all, this is a very, very difficult time, and I think they're fundamentally

rethinking how they should approach us and others. With the United States, the management of relations with China has always been quite durable for successive Republican and Democratic administrations. We've always been able to handle the anticipated problems. The difficulties for the United States has always come from the unexpected problem, the EP-3 incident, or the visa to Ledon Wei that the Congress gave after the secretary of state said it wouldn't happen, or, for that matter, the Belgrade missile incident, to which I referred previously.

I think that sort of phenomenon is going to continue. We will be able to handle the known problems as we move forward with the People's Republic of China, but we have to stand by for the unexpected difficulties which seem to crop up with fairly stunning regularity in U.S.-China relations.

Can we cooperate with China in international for and on international issues? Well, we certainly can on issues of climate change, fresh water managing, infectious diseases, terrorism to some extent. There's no question.

Now, on the other side, I think I'm actually more bullish on the Russian Federation and our ability to work with them. First of all, I think Mrs. Clinton has, as she said "reset" -- I'm not sure what the term means -- or reboot, reset -- started again the clock on the U.S.-Russian Federation

relationship. I'm all for it, I think it's great. In my mind what the Russian Federation really wanted was just a modicum of respect. They wanted to be taken seriously when they expressed their concerns about their near abroad, and they should be taken seriously. It doesn't mean we have to agree with them.

For heaven sakes, when we put a Bush missile defense system in Poland and almost simultaneously announced patriot missiles to guard them and the Security Assistance Agreement, I would say the Russian Federation has a reason to talk to us. And we ought to have a reason to talk to them, not that we would agree with them, necessarily. But it has been our inability or unwillingness to show any sensitivity I think to their interest in the near abroad, and that has caused us this present difficulty.

Do we have ways to cooperate with the Russian Federation? Absolutely. Terrorism, narcotics, drugs particularly in Afghanistan which comes -- the drugs there go from Afghanistan to Tajikistan and right into Moscow, and there's a huge problem. HIV-AIDS. We have a whole host of ways to deal with a nation which is fundamentally an empire in decline, and I think an empire in decline has to be handled as gingerly in its own way as an empire that's trying to rise such as the People's Republic of China.

So I'll stop there.

MR. PASCUAL: Thank you, Rich. Strobe, do you want to jump in?

MR. TALBOTT: Yeah, Rich. I just wanted to draw you out a little bit more on Tibet and the Dalai Lama. You and I last summer, if I'm remembering right -- it was warm, a long time ago -- were part of a panel when the Dalai Lama came to Washington.

MR. ARMITAGE: Last October.

MR. TALBOTT: Oh, it was in October, it was warm then. And I think it was you, actually, who elicited from him a statement that I believe he had never made so categorically before, which is that he accepted the sovereignty of the People's Republic over Tibet. And I was struck by your comment just now that while the Chinese authorities have demonized him for all of these decades, I heard you to say that they may realize that he is in fact a more moderate player and that perhaps the tactic that they have been pursuing all this time is not the wisest.

Do you pick up any signals to that effect?

MR. ARMITAGE: I last saw the Dalai Lama this October in Delhi, and I wasn't going to see him because he was just out of the hospital for an operation, and I didn't feel I wanted to burden him. But a representative of the Chinese Embassy in Washington came in and said I absolutely must not see him, thereby guaranteeing that I had to burden him

and see him. (Laughter)

No, he in his conversation with me, he did not -- he recognized that he got a lot of firebrands in the young Tibetans, and he said to me that he thought he would see a resolution in his lifetime. But I was struck, as I called on him at a villa in Delhi, the unbelievable amount of security around him. And the Dalai Lama wasn't being protected from the Chinese; he was being protected from the firebrand Tibetans who feel that his moderate and middle way is not acceptable.

I don't know if China has gone so far as to rethink their ability to talk with the Dalai Lama, and the reason I say that is because they're spending an enormous amount of time and energy on this 50th anniversary of the Tibetan invasion telling world leaders from Sarkozy to Obama that they must not meet with the Dalai Lama again, guaranteeing that they must, almost.

And second, lesser Chinese officials have spent a lot of time in Washington on this single issue recently, even though we've got others, such as North Korea and others, but this single issue is what they want to talk about and they come back to time and time again. So I don't really get the sense that they've made a decision that they can talk to this guy.

I think it's complicated, Strobe, because Hu Jintao, of course, the last time there was some heavy handedness in Ossa, Hu Jintao was in

charge of Tibet, and I think it's very hard for him to sort of do a U-turn right off the bat.

MR. PASCUAL: Rich, one of the things that you didn't mention, which is to say the obvious which is probably why you didn't mention it, but let me go back to the obvious because it's important with about $2.32 trillion worth of importance in terms of China's holding of American debt, which, obviously, puts us in a particular financial relationship with them that at times begins to certainly define a necessity of international cooperation, but also then points to some complex situations.

I mean here we have a front-page Washington Post today talking about in a sense sounding almost a protectionist note in American trade policy and potentially in American foreign policy, and yet at the same time if we are going to take a protectionist stance toward that country which is the principal financier of the American debt, this is not a particularly positive signal about how to move forward.

And, you know, in some ways it should seem obvious that this relationship, interrelationship of those issues fundamentally has to be looked at together. But it's not always as easy in the world of politics to be able to do that. I don't know if you want to comment on that.

MR. ARMITAGE: I don't know that I can say much beyond the obvious that it seems to me on this whole question of trade, we've got a little

left-hand/right-hand problem. We haven't connected all the dots.

And on the question of our, what some would say is a profligate lifestyle being put on the backs of peasants in China, that's the first time in history I think the poor people have paid for the lifestyles in this way of rich people. But the savings of people in China, they're invested here.

There is a certain hang together or hang separately flavor, I think, to this, whether it's Japan, the United States or China, we're so heavily invested in each other in different ways, it's like three people with guns to each other's heads I think: If one pulls, they all pull and they all go down. And I think, given the uncertainties of and the lack of understanding, certainly in my mind, but I think in most people's of what's really going on in international financial markets and what the root causes of this meltdown really are, whether it's banking or whether it's the mortgage housing problem, until we have a better understanding, I don't think there are going to be any untoward movements here or certainly in China.

MR. TALBOTT: You're a little more hopeful than I am about that, Rich. I think that we can't assume that we don't do stupid things, and pass situations in miscalculations of governments that's caused the enormous catastrophe.

I think that the capacity for us to get mercantilists in this

economy -- it's quite substantial and plays off against the same going on elsewhere -- I think that the president will try to hold the tide against this. But I think that it's a real -- it's a real danger in all of this.

MR. PASCUAL: Um-hmm. Mrs. Ogata, the third gun of Rich's three-guns here is in Japan's hands, and so maybe that's a good note to come to you and get you drawn into this conversation.

One of the things that you've done throughout our career is work on the effectiveness of international institutions, and you've also worked very closely on this tension and this tradeoff between the legitimacy of those institutions. And generally, in the past legitimacy has meant greater representation, but in some circumstances greater representation has been seen as something which is contradictory to effectiveness.

What we also have is, is this somewhat of a conundrum here which is that we're beginning to hear this discussion that you can't have effective institutions unless you in fact actually have some of those additional countries that are key to actually working out the outcomes, and so it puts us in a different kind of situation than we've been in in the past in working with international institutions. One might argue on the one hand you need greater representation, so legitimacy, you maybe need that for greater effectiveness, yet at the same time it's going to make it more difficult for some of those institutions to operate. And Rich and Sandy have both

outlined some of those questions that could be real flashpoints, Iran being one of them.

Could you pick up on this theme and some of these tensions and how you've thought about them?

MS. OGATA: Well, thank you very much. I just want to start by congratulating Brookings and all the coauthors of this very, very important book that has just been launched. And I think this is a good occasion to think about some of the problems that have been raised.

You know, international institutions' effectiveness and legitimacy is really an issue that is very much out in the open now, and I, personally, having worked in an out of the U.N. for quite some time, and through participating in the political study on the U.N. that was launched by Kofi Annan and the two authors that are here, this highly (inaudible) panel report on threats, challenges, and change.

This is where, really, a thorough study of the United Nations as a political security institution came into the open, and I was very much committed to really overseeing this institutional reform as the world was going through very, very big transnational changes. Because, really, by 9/11 is one thing, the political terrorism as a cause not just of states but of people, and then also the very recent financial crisis that really started here and affecting everybody in the world, these are the proofs that the world is

changing a lot and cannot just be fixed by states.

And I somehow come to a slightly different conclusion from what you're saying now about responsible statehood. States do change the societies, the economies, and the people, but just having worked so much more -- and I should also say that the world seems to be going through a lot of institutional reform, whether it's in the bank, or the IMF, or a lot of the various group of G-8 turning the G-whatever number -- I think it's G-12-13, bringing more countries and (inaudible) groups and people because the world is changing. This is a fundamental picture that I think we should recognize, and then having recognized that, what is the best way of addressing these changes?

I think institutional reform would be important, and the fact that the United States has the strongest and the biggest economy and political military power, unless the U.S. is on that line of reviewing the appropriate institutional structures in the world to meet the real change in the world, I think it won't come through. And this is one thing that I really liked of you, most of you American colleagues here, because the U.N., for example, one of the reasons why the high-level panel changes proposed, especially with regard to the situation in Kabul, was that the U.S. was not ready for that.

The U.S. wanted to keep the Security Council within certain numbers making sure that those who have governed the U.S.-- U.N. --

especially the U.S. will be able to maintain that.

Now, why do I think that there should be some kind of a change? And that is because I have worked as the high commissioners for refugees, people who have been wronged by (inaudible). If I put it very simply, that's the real cause of most of the refugee outpost. They, powerful political groups, powerful -- powerful leaders, and so having had to protect people on the run, and then now I am heading the Japanese Development Agency, which means I have to help the people, and people cannot be helped just by giving them basic, minimal -- what shall I say? -- MDGs, the basic minimal rights and possibilities much more on a social security basis than economic opportunity. We do have to bring in much better economic opportunities if you're going to develop people and to protect the people. And the question there is, how do -- why do people count?

I think in the final analysis, unless you have good people, strong people, people who can govern themselves, no state will be adequately strong. And this is the kind of philosophical changes that I have gone through, having worked as refugee -- Chechen's refugees, social humanitarian emergencies. I remember coming here to Brookings several times where social and humanitarian protection issues are raised when the world was much more looking into economics progress.

So people do count, and unless you can develop people in a

way that they learn how to govern themselves and then help the state, it kind of sort of play a little bit provocative, and put it around the other way around. Unless you can bring people in, I don't see how states can really be responsible. States have to be responsible to their people, not really their own people but to other people on the other side maybe of the border. And so unless you come around, that kind of philosophy would probably have to be introduced in this big changing world of transnational relations.

Somebody mentioned about the -- I think you did -- about telephones and so on in China. Afghanistan, too. We're surprised that these telephones, the -- what do you call them? --

MR. PASCUAL: Cell phones.

MS. OGATA: -- cell phones have spread in a very, very rapid way that I never thought was possible.

Now, in Africa, too, if people have cell phones and access to information, they get different ideas and different expectations, and -- sometimes bring instability and insecurity to those who want to govern in a set way. So you have to deal with both ways. States have responsibilities to bring certain order. It's not just for themselves, but for the other states, and people also have to learn to be themselves able to know what their interest is, but then what others interest is. And I think it's a very new ball game that is now coming out in the world and I think this is

an extremely good book to stimulate your thinking along those lines, not just the traditional way of states -- I do work for the government, too, but that is the way I'm looking at it.

MR. PASCUAL: That's an extraordinarily powerful statement because we all often talk about the rhetoric of the importance of the NGOs and the private sector being critical actors and players in the governance of the international community, and then the question that we often come back to is how do you make that a reality other than inviting NGOs to governmental meetings? In fact, what you're saying is that it's a very different kind of reality, the empowerment of individuals and people and what role they play in states and that there are certain things that are critical for that, and certainly the sharing of information and communication is a critical factor that plays into that kind of empowerment which is central to accountability. So thank you for raising that particular point.

If I could, I'd like to use it as a transition point, Strobe, to come to you because you wanted to come back and talk about two existential questions, one is climate change, one is nuclear security. Obviously on both and in particular climate change, the behavior of individuals and the accountability of individuals is going to be critical to the success of long-term outcomes, and the behavior of individuals is also going to be critical to achieving the necessary legislative solutions that have to be taken

in order to be able to move forward these agendas. So let me use that as a point of transition to open up the nuclear and climate change agendas for you.

MR. TALBOTT: I'm writing down my instructions as quickly as possible here. I'll try to do that, Carlos. Let me first though echo what has been said by many here today including in the informal discussion earlier about the importance of this project, and since I can speak on behalf of Brookings I just want to reiterate to all of you how proud we are here at the Institution to have the Three Musketeers of the troika here, in Carlos, Steve and Bruce, who have provided such leadership under the rubric of managing global insecurity and who are taking the project forward. It's not only just a testament to the individual skills and energy that they brought to bear, but I do want to emphasize the importance that this is an multi-institutional -- it's our version in the think tank world, a multilateral exercise which of course is not only in the spirit of the subject, but I think since there are representatives of universities and other NGOs and think tanks here in the room, the magnitude and urgency of the problems that we're all banging our heads against and the adversity of the climate in which we're operating really to militate for cooperation as much as possible, competition as little as possible among us in the NGO world, and I think we've seen a model of it here. I'm sure that Carlos, Bruce and Steve will be

the first to say that they could not have done what they've done without the help of their domestic and international advisory boards, and Randy, Rich and Sadako, you have been hugely important in that capacity as well as your being here today.

One other point if I could which I think is actually pertinent I hope. One of the reasons that many of us can fight against the pessimism for which there is plenty of reason and feel that there is some hope for moving forward on all of the causes we're talking about is the new leadership in Washington. That said, there is a tendency sometimes to exaggerate the hopes for the new administration and to overload the previous administration with blame. All of us, I certainly speak for myself, fall into the trap of oversimplifying in ways that are unfair to the many good people who have been working these issues over the last 8 years. And I want to particularly say that because of Rich's participation in the program this morning, and I don't say this because former Deputy Secretaries of State stick together, but also because I know a good deal about how Rich conducted his responsibilities when he did serve as Deputy Secretary of State in the first Bush term and he was a champion not only for things that I think of a lot of us here believe in but also important principles within the Republican Party including respect for the rule of law, opposition to torture and belief in the utility of diplomacy or what I'll call smart multilateralism. He

didn't win every battle he fought bureaucratically, neither did I, and I'm sure it's fair to say that Jim Steinberg isn't winning every battle he's fighting today, but Rich, a huge thanks to you to what you did and are doing.

To respond to Carlos's question about the existential threats, this word existential always gives me a little twinge. Maybe it's because I never did that well when I studied French philosophers once upon a time in college. It's almost too fancy a word. It almost kind of anesthetizes the psychic effect that it should have. What it means of course is we're talking about threats that could undermine the viability of our civilization if not our collective life itself and what we really ought to say are these are threats that could kill us or they could certainly end global civilization as it now exists. There are actually more than two. There's been reference to bioterrorism, pandemic diseases. I can even imagine that if the divide between those who feel like winners and those who feel like losers in the process of globalization widens and the ratio shifts too much in favor because of global poverty in the direction of those who feel like losers, that could really constitute certainly a threat to the viability of the international system and also to the lives of many people on earth.

But the two on which we I think legitimately tend to concentrate on are proliferation and climate change. All of you in this room are extremely familiar both with the science and the politics that both of

these entail, and I'll just summarize what I see as the key numbers in order to sharpen the issue. With regard to proliferation, when the nonproliferation treaty went into effect in 1970, it was supposed to be universal and perpetual and it was also to hold five the number of countries that were grandfathered into the agreement as nuclear weapon states but with the explicit provision to which all five of the signatories were signed up to that they would work seriously and ultimately effectively to eliminate their own arsenals of nuclear weapons. Here we are whatever it is, 39 years later, and there are now nine nuclear weapon states that we know of. Let's say there are nine, because in addition to the original five, China, the Soviet Union, now Russia, Britain, France and the United States, Israel is presumed to have nuclear weapons, India, Pakistan and North Korea have all tested them. If the nonproliferation treaty is not strengthened and buttressed and made more effective and made more universal in the years to come, it is by no means a nightmare fantasy, but it is a nightmare, to imagine that within 10 years or so we could have as many as 25 nuclear weapon states around the world.

Jack Kennedy had a nightmare vision once upon a time I think during his debates with Richard Nixon and then toward the end of his life, and it could turn out that he was a bit of a Cassandra, he was off on the timetable but right on the numbers. A world with 25 nuclear weapon states

is by definition a very, very dangerous world not least because of the nature of the states and the nature of the multiple antagonisms among them, but also because back when we were essentially a nuclear bipolar system, mutual deterrence worked. It's very hard to imagine working when you have the kind of proliferation that we're thinking about here particularly because let's say it is 25. It's actually 25 plus X, X equaling nonstate actors because they are by definition particularly if they're into suicide bombing not deterrable with the threat of extinction. Extinction is what they're all about. So that is an issue that requires urgent, concerted and energetic action led by the United States. And we stipulate that and there's a good deal of very good stuff in the book that we're relaunching here today.

With regard to climate change, I would argue that that is in a class by itself for two reasons. One having to do with the nature of the problem itself. Three reasons. One having to do with the nature of the problem itself. Two having to do with the extraordinary difficulty in remedying or managing or mitigating that problem. Climate change is so much harder than proliferation because actually if we could get our act together in terms of proliferation, it would be a money saver. It would be highly economical and that would make a lot of political sense. Unfortunately, those attributes cannot be applied to what's necessary to address climate change, and I'll come back to that in a moment.

But the other thing is the timetable. Carlos, Steve and Bruce has spent a good deal of time, Carlos recently at a conference in Delhi with R.K. Pachari, the Indian scientist who heads the Intergovernmental Panel on Climate Change, and there is now a pretty firm consensus that we, the big we, all 6.6 billion of us, have something in the neighborhood of 6, 7 or 8 years to in a fundamental and decisive sense turn the corner on climate change, and that means actually beginning the process of reducing levels of emissions that we're putting into the atmosphere.

Let's play a mind game for a second and pretend that we are having this conversation today and the national and international economy were just humming along, and we don't have to remember back that far to when we would have kidded ourselves into thinking that that was the case, but it's obviously not, and the arrival on the scene of the global recession carries with it more than just complicating factors, they could be fatally complicating factors for dealing with these other two issues. One quite simply is that what it is going to take, and it's not clear that we can provide what it's going to take, to deal with the international financial crisis is going to be so demanding of political will at national levels and at the global level, so demanding of resources, that there simply isn't going to be enough of either left over to deal with these other two issues.

A second problem a couple of my colleagues have already

referred to. It is a sad fact of history that when things are going badly in national and in the international economy, that does not induce higher levels of internationalism. Quite the contrary. It tends to bring out nationalism of different kinds. If the issue is trade it brings out protectionism in the form of Smoot Hawley back in the 1930s and so forth and so on, and we can already see that happening right now. I suspect many of you in the room have been to Europe recently. I came back from Europe very worried about whether the European project, the European Union, is going to survive the financial crisis. I haven't been on the territory of the Russian Federation yesterday, but I've spent a lot of my life talking to people who have lived there or have been there. I can imagine the Russian Federation going the way of the USSR as a consequence of what is now happening. And I can also imagine the very worst elements in Russian politics, that is ultranationalistic ones, revanchist elements, rising to the top and the more moderate international reformist elements suffering as a result of the consequences of the financial crisis.

I've already basically referred to what I think are the implications of this for climate change and proliferation, namely, that our understandable preoccupation with the international financial crisis is going to create the temptation of triage. What I mean by that is the following. Every time I hear somebody say we have to prioritize, and I've heard people

on the Hill of both parties saying that to the Obama Administration. You have to give priority to solving the economic problems of this country and get all that green stuff out of the stimulus bill or whatever. There is going to be an international version of that and if we as an international community say we have to put these other two things on hold, climate change and nonproliferation and deal in a focused way with the international financial crisis, A, I don't think we'll succeed with the international financial crisis, and B, it won't matter if we do succeed because we'll get past that point of no return that's only 5, 6, 7 or 8 years ahead of us when we will have much, much bigger problems, namely the scorching and the parching and the overheating and in some cases the freezing up of parts of the planet. So I think part of the challenge for all of us who are involved in the effort that Carlos, Steve and Bruce have been leading is to think imaginatively. What's the phrase, Carlos, you used? The virtuous cycle. We have to figure out how to take the principle of a virtuous cycle and get it to work as a kind of synergy in the way that we approach multiple problems and the only three that I'm focusing on here are the ones we're talking about, the global recession, proliferation and climate change, figure out ways to move forward on all those fronts at once, and there are good analytical reasons for doing that. If you're going to have an effective climate change regime, it is certainly, I know this is a controversial statement, in my mind it's not

controversial, it's certainly going to have to have a nuclear power component to it. If there a nuclear power component to the remedies and mitigations of climate change, then we need to have a stronger proliferation regime.

With regard to how we're going to deal with the global recession, if you have a complete freeze-up of the world's credit markets, then first of all you're going to sponsor that kind of nationalism I talked about a moment ago which is going to drive countries toward having unregulated nuclear programs including nuclear weapons programs. In addition, on the positive side, if you're going to have an effective carbon trading regime of some kind, then you need a global trade regime and a global financial regime that can support a carbon trading regime. So there are in other words affirmative, positive, reinforcing connections among all three and we have to find of thinking about them holistically.

The last point I would make is in a somewhat more minor key, not that this was exactly hip-hip hurrah stuff that I've been saying, but at least I've been looking for a solution. I am concerned, and it goes back to what I was saying earlier, about the sense in Washington and around the world that Obama is President, everything is going to be fine. Well, no. This may be the most passionate marriage in history, but it's going to be the shortest damn honeymoon that we've ever seen and I think in many ways

it's already over. It ended here in Washington around sundown on Inauguration Day. But the point is that the world is looking to the United States as everybody up here has said for leadership, but defining what delivery on leadership means requires some realism about American politics. If I could wave a magic wand, I would love to see the administration propose and the Congress pass all the legislation necessary to have a follow-on agreement to the Strategic Arms Reduction Talks by the end of the year, ratification of the Comprehensive Test Ban Treaty which is absolutely essential of you're going to have a viable nonproliferation regime, the law of the sea absolutely for sure, Rich, and of course binding commitments with regard to carbon emissions before we get into Copenhagen. I think that is extremely unrealistic. I would love to be wrong about that. But if our foreign partners set the bar too high in terms of what meets the definition of the necessary degree of American leadership and support, then they're going to be disappointed and the whole venture will fail. And I think for all of us in the public policy world who kind of pivot from the outside need to get that message across to some extent we have a domestic audience for it which I would say is to keep pushing to accomplish as much as we can here in Washington, but we also have a message to take out to our friends around the world not to make the ideal the enemy of the possible because we're still trying to practice the art of the possible here,

we just have to push what that actually means.

MR. PASCUAL: Strobe, thank you. If I could I want to actually build on that and come back to both Sandy and Rich. I suspect both of you will have thoughts and comments on this question. Stephen in his presentation talked about the fierce urgency of now. You've laid out certain scientific and security realities that create a pressing agenda. Then we have a legislative calendar and the reality of Congress. Both of you have had experience of the challenges of presidential leadership working with that Congress trying to move an agenda and at the same time also educating the public and bringing it behind you. Sandy, if you want to start on this talking about the challenges that currently we're facing right now and are facing the President in trying to manage this multiple part agenda.

MR. BERGER: There is a think tank down the road where people like us with equal passion to Strobe Talbott are saying the fierce urgency of now is health care. I guess, Strobe, the question you argue against the setting of priorities because we want to get all this done, but to the agenda you've described for this year you have to add health care and deficit reduction. This is the agenda that the President has laid out. I think that in fact there is a great public consensus for health care than there is for climate change and I think after all the years of talking about health care and trying to do it since Harry Truman was president we now have a point at

which we have probably a kind of broad agreement. I don't think that's true with climate change, and I think that in order to move Congress, the President is going to have to move the American people with a lot of education. I think among elites, climate change is self-evident. I don't know whether global warming has become a popular issue. In fact, the polls suggest to the contrary. The polls when asked about what are your priorities, global warming is sixth for the American people. I have tremendous confidence in this President's ability to move the American people, but he can't move the American people on a dime, and it seems to me if we're going to have any hope of doing climate change this year or next, it's going to take a fairly major education effort by the President of the American people to bring them to a point where they create the backfire on Congress so that all of the regional and sectoral constituencies that are going to oppose those bill are put on the defensive. Right now they're on the offensive and given the enormous agenda here, I don't know how -- it's going to be a real challenge it seems to me for the President to create a constituency in this country to get this done.

MR. PASCUAL: Rich?

MR. ARMITAGE: Carlos, thank you. Sandy is exactly right. Just to reiterate, this climate change and cap and trade legislation is not a Republican and Democrat thing, it's a regional thing and that's what makes

it so damn difficult for the President.

I do not think given the tyranny of the congressional calendar and their inability to work more than 4 or 5 days in a row up there that you can expect a lot of moving on international treaties. However, I think to make the point that we want, that we want U.S. leadership, we are going to be engaged in the world in the great activities of the globe, we could pick off one or two, whether it's CCBT or law of the sea or whatever, and make the point that we are changing our ways and we are going to take a leading role in the international community. I do not think the excellent list that you laid out, Strobe, is doable with this congressional calendar. That's just a personal view.

MR. PASCUAL: Strobe, I know that from the beginning you had another commitment that you're going to have to go to at 11:30. I just handed him a note saying I wanted to give him another come-back comment and is that okay, and he nodded his head saying no so I'm going to ask him does he want to have a come-back comment anyway.

MR. TALBOTT: I'm happy to. I don't think there's that much of a difference between -- I was putting the accent perhaps on a different place in the same proposition that Sandy and Rich have said. I take it back to the last point I made which is I do not think it is realistic to expect that Congress no matter what kind of push it gets from the Executive Branch to

do everything that ideally that should happen on proliferation and climate change or for that matter on the international financial crisis because of the risk of blowing all the circuit boards. I was wondering which think tank down the road you had in mind. I thought it was one where you used to work in the West Wing of the White House. They still do some thinking down there. But my guess is, and I think it's apparent from a lot of what you hear from President Obama on this subject, he manages to weave a lot of these issues together. He is making the case for multitasking which is what I call it. And by the way, health care if it works will contribute to the solution of some of the other seemingly competing priorities, and that's just a case that I think we need to make generally on these international ones.

But I do think that all of us who have a chance to influence opinion and attitudes and expectations abroad need to do what we can to make sure that people who wish us well and who are looking to America for leadership understand what realistically that can mean in the year ahead.

MR. BERGER: One point I would raise for your consideration, and we can't make it perfect the enemy of the good here. Copenhagen should not fail, and at some point in this process if we reach the conclusion that we're not going to get global warming and cap and trade done this year but we can get it done next year, we have to prepare a plan B and it seems to me the plan B is to not create a Copenhagen which is divisive and

ultimately destructive to the objective of regulating carbon by rolling Copenhagen over for example to a somewhat later date so that we don't cause a track wreck there. I think it's too early to do this. I would not give up on the possibility that we can get this one this year. I don't think the President Administration has given up on that possibility. But the practical realities may be such that we don't want to fail and we need a kind of strategy which glides us into 2010.

MR. PASCUAL: In other words, not making Copenhagen necessarily an end point but a beginning point?

MR. BERGER: Yes.

MR. PASCUAL: Ms. Ogata?

MS. OGATA: Since I'm the only non-American here, I thought I would ask Strobe not to be too sobering because the world does expect the U.S. to lead in a way that is for most people an understandable direction, not so much climate change, it's important, everybody understands, but as you said, for the elites, yes, but you don't get too enthusiastic about those things. What the most ordinary non-American hopes is that you live up to your ideals and don't go too much into war. That kind of thing sounds probably too naïve, but I think it's the kind of thing that happened like the Abu Ghraib thing and all those things. You want to move, it's difficult, but go step by step in a direction that's sobering, maybe, but proper and win the

support of ordinary people abroad. For a non-American I think that's the kind of honest statement. Care about other poor countries, poor people, ones that could be vulnerable to all sorts of situations. Yes, climate change is serious but it's very difficult to foresee something that might happen 5 to 10 years from now and become very enthusiastic. I'm just saying very honestly.

MR. PASCUAL: Do you have any other comment on this?

MR. ARMITAGE: I thank you very much for that. It occurs to me that we've spent a lot of time talking about public diplomacy and how we look better in the international space, but I want to congratulate our Secretary of State and actually our Vice President yesterday standing at NATO where they both said they're listening. That's the best public diplomacy that I can imagine the United States engaging in right now. We too often think that public diplomacy is stating our views more loudly or more universally and, look, there's not a country in the world, there's not a nation in the world that doesn't understand exactly what we think about point A, B, or C. The question they have is whether we know what they think about A, B and C. So I really want to salute the Secretary of State and the Vice President for going out and listening. That will get old if they just keep listening and don't have any action, but right now I think it's having a very salutary effect and just as you would like it.

MR. PASCUAL: Bruce, you've been listening. If you want to reflect back to us some observations.

MR. JONES: The publicist in me wants to know that the first recommendation on our plan of action is that the new administration should launch their foreign policy with a listening tour. The scholar in me feels compelled to note that correlation is not causation and I'm not sure we can take credit for it.

I have been listening and I'll make a few comments. I'm going to try to do it as a play a little bit on alternative titles to this book it seems to me that came out in this discussion, and no question that Sandy gets the prize for best alternative title Don't Do Stupid Things.

Steve's introduction to the book by laying out four perquisites of translating this vision we have of how you (inaudible) power and responsibility to order, and the four requirements are U.S. leadership, great power negotiations, negotiations among states on key issue areas and effective international institutions. Sandy's highlighted that that package of requirements is necessary including in the Middle East, what we refer to the hardest case and I think he correctly said the hardest and most important case, an alternative title here too where he described the reality that the United States is still the indispensable nation in terms of leadership in the Middle East, but now an indispensable but insufficient nation in terms of

managing the broader problems (inaudible) both regional and international cooperation to handle that today.

Rich Armitage highlighted some of the difficulties of the great power cooperation element of this and particularly in terms of China. In the book we're eyes open about the difficulties of this agenda. This is cooperation not based on free love, but cooperation based on hard negotiations between states based on national interest, but also on a recognition of key interdependence. And here's the third alternative subtitle from the book which comes from Rich which is Hang Together or Hang Separately. And both Rich and Strobe highlighted some areas where we can hang together where we need to such as on climate change, but also on critical international treaties like the Nuclear Nonproliferation Treaty and other significant threats to our societies, what Strobe didn't like calling the existential threats, but I hope he won't mind on his absence my reminding ourselves that he referred to once when we were discussing alternative titles mutually assured survival, the mutually assured survival agenda.

Madam Sadako then talked to us about the tensions between and the challenges of producing both legitimacy and effectiveness in international institutions, but also I think reminded us of the importance of ensuring that people are at the center of that agenda and that human dignity reflected through states is at the core of the kinds of responsibilities that

we're talking about.

A big part of what the book does is it goes through in each of the issue areas and evaluates the performance of the major international institutions that work in these terrains, and one of the things that we discovered in doing that work is that the performance of international institutions is often underestimated. They actually often do better than is generally better assumed in the full range of cases. Unsurprisingly, they do most poorly in the hardest cases, and also unsurprisingly it's the hardest cases that get the most attention and you get a kind of skewed political evaluation of the performance of international institutions in these hardest cases. Part of that theme was reflected in the title as well. It reminded us of a phrase that Dean Acheson used when he was describing the negotiations around the early roles of the U.N. in the Middle East where he talked about a curiously persistent myth that international institutions have had responsibility without power could produce effective results.

This brings us full circle. We're going to need international institutions and effective international arrangements to deal with the kinds of challenges we've talked about and there is one state and one state only that can lead international efforts to match power and responsibility in the toughest cases to produce the kinds of effect we need and that's the United States.

Just to quickly comment on this last discussion about priorities. What we talk about in the action plan and in the book is not trying to do all of this in the first weeks or months or year of the administration, but setting out an agenda, setting out a vision and setting out a timeline and in our plan of action we look at a 4-year timeline for trying to move through this very complex set of agendas, very complex set of issues, but setting out a vision early because just as in the economic sphere, at this point people need hope that they're going to pull out of the recession and pull out of the kind of morass that we're in, so to internationally. People need hope about the fact that the United States will be leading, will be investing in international cooperation and will be working with partners to try to move these issues forward over the coming period of time.

Let me end on that note and we'll turn the floor over for questions. We have a fairly constrained period of time for questions, but we'll take a few and then come back to the panel and ask the panel to address any ones they want. Ma'am? If you could identify yourself, please.

MS. STERN: I'd be happy to. I'm Paula Stern with the Stern Group. I'm sorry that Strobe is not here, but I'll catch him some other time, because as he spoke, he started to channel some thinking that I have had and I'd like to propose to you. I've just finished a paper that I called, talking about titles, "A Grander Greener Global Bargain: Refocusing Growth by

Liberalization on Energy and Green Solutions at the WTO." The G-20 is going to be meeting. We've got this issue about trade. It's a wedge issue. We know protectionism is one of the greatest concerns. We've got a stalled institution that has been stuck on the rocks of the Doha Round. Why don't we take some of the what I believe are transformative political forces who are interested in the climate change issue and recognize that the WTO has ignored energy from the get-go as it did agriculture as well, but since we're stuck on the agriculture, let's focus on some of the issues starting with -- initiative on green technologies, goods and services? In other words, anticipate the Copenhagen, let's do some multitasking, let's think outside the box.

MR. JONES: I'm going to take several questions and then come back to the panel because we only have time for probably one round. Sir?

MR. CHAUDHRY: Thank you very much. I am Dr. Nissar Chaudhry with the Pakistan American League. It's a very thoughtful and insightful idea to really come up with recommendations how to make this world more peaceful and prosperous in the next 50 years. All the panelists spoke about -- Sandy mentioned about many countries also. My concern is regarding South Asia. Pakistan is going through extremely difficult times. Should Pakistan be helped at this time to do more or Pakistan should be

pressed more to do more? Also if the panelists and the authors could make recommendations -- the U.S. administration as well as the Pakistani administration to achieve the defined policy objectives successfully. Thank you.

MR. COLINA: Thanks. Tom Colina, 20/20 Vision. Thank you all for your comments. My organization spends a lot of time working on dependence on foreign oil as both a national security and environmental issue and it certainly intertwines with all of the issues we've been talking about today in terms of climate change and proliferation, but we haven't discussed it explicitly and I'm wondering if you could all comment to the extent you want to on how our dependence on oil -- will this be seen as a separate issue in the coming years or as sort of a subset of climate change and other issues?

MR. BURTON: Brian Burton, the Center for a New American Security. I'm interested that you emphasized a lot the common ground that the United States and the rest of the world has on a broad range of issues, but I'm still struck that in international cooperation a lot of times the devil is in the details. The international community has never agreed on things like a common definition of terrorism. We can't even get our NATO allies to come to a common understanding of what we should do next in Afghanistan. Yet you've proposed that we find some common definition of responsible

sovereignty where it's pretty clear that the United States views and the views of other powerful countries like China, Russia, Nigeria, those views are just not going to align. That's more of a comment I guess, but how are we going to find common ground in a sort of sphere where negotiations break down over the wording of treaties and a few meters of territory?

MR. JONES: Let's take one more and then we'll come back to the panel.

MS. FRIEDMAN: I'm Abigail Friedman, a Foreign Service Officer, currently a visiting professor at George Washington University. I want to thank this panel. It's just been excellent. This is the second time though there's been a tremendously perceptive report and analysis that I can think of, the first was the Commission on Smart Power and now this group, where the question of how government connects with nongovernment organizations, with business, with individuals, is noted but not directly addressed. I know you're still recovering, the authors from having written this book, but I would really love to see you tackle the next book because it seems to me at the heart of how we deal with issues in the 21st century is how government works more effectively with all of these other players. If you can comment on that and perhaps offer some off the top of your head suggestions on where you see that going. I suppose Ms. Ogata mentioned it, but it strikes me as not a side show but at the heart of

how we deal with transnational threats. Thank you.

MR. JONES: Let's let the panelists comment on any question they want to. Madam Ogata, why don't we start with you and move through, and then Carlos and Steve can pick up on any issues that they want to as well and wrap this up?

MS. OGATA: I'll just say I couldn't hear your questions very well I'm sorry to say that, but there was a gentleman from Pakistan asking what kind of assistance or attention we're giving to Pakistan right now. Japan will be hosting a Friends of Pakistan meeting in the middle of April because we realize that Japan has been quite heavily involved in Pakistan in a nonmilitary sense but probably is the second or third largest contributor on social and economic reconstruction and development and we will be hosting this Friends of Pakistan meeting in Japan in mid-April because we understand the difficulties that you are going through and a stronger Pakistan is very important for Afghanistan and for the whole reason. I don't know if I'm answering what you said because I couldn't hear very well.

MR. ARMITAGE: If I may follow-up on Pakistan, I think the short answer will help the U.S. and the international community help more or press more and I think the answer is, yes, we will help more and press more. That's the burden of the Biden-Lugar legislation on the Hill. I thought former President Musharraf who visited India recently made the comments

that were most applicable. He said that Pakistan cannot be pressed into doing things. Pakistan has to want to do these things because it's in the interests of the nation. Finally, there's a question about NGOs and assistance in general that has been a conundrum for me. When we're in government we depend to some extent on NGOs to make presentations to the Hill and use their influence in order to get sufficient amounts of money to try to address certain needs in certain countries, but very often what is extraordinarily popular on Capitol Hill such as schools and birthing clinics and all these things depend on host governments to sustain them. I call it a feel good and very necessary part of assistance but one that unless the country is enlightened enough or developed enough, it doesn't sustain itself. On the other hand, what is very unpopular here in the United States are these big sorts of Aswan Dam major infrastructure programs. But in the case of Pakistan, this might be exactly what is necessary to try to bring what is not a country but four different countries more together and in cooperation. I notice the road from Islamabad to Peshawar is called the Japanese Highway.

MS. OGATA: Yes, because we built it.

MR. ARMITAGE: And it's a major infrastructure -- so these are some of the difficulties of assistance writ large whether it's for Pakistan or anywhere else.

MR. BERGER: Let me just try to answer a couple of the questions just staying on Pakistan for a second. Pakistan is the most dangerous place in the world as far as I'm concerned. It brings together all the nightmares of terrorism and nuclear weapons, a weak state, and I think we have to both help the government of Pakistan enhance its capacity and also encourage it to take on the insurgency in the country and crack down on extremists more effectively than they have. They are a mortal threat to the government. They are not simply a threat to India or a threat to Afghanistan. They are now a mortal threat to Pakistan. And I fear that a strike against the Pakistani government could -- I don't mean one strike, a siege against the Pakistani government could cause an enormous crisis. I don't think there's any more urgent problem in the world as far as I'm concerned.

On Paula's idea, I think it's a terrific idea. I think that the WTO has lost its political and philosophical way. There is really no consistency now for continuing the Doha Round in its present form. Maybe after the Indian election there suddenly is a new consensus. I doubt it. And it seems to me bringing green technology and global warming into a trade context is a way that not only advances the goal of climate change but also maybe the goal of the survival of the WTO. So I think it's a very good idea.

With respect to whether Steve, Carlos and Bruce should write

another book, I think that's a terrific idea and I know there's a tremendous appetite for all three of them to embark on that this afternoon.

MR. JONES: On that note, Carlos?

MR. PASCUAL: Ms. Ogata, did you have anything else that you wanted to add earlier?

MS. OGATA: No, I'm fine. Thank you.

MR. PASCUAL: Let me just make a couple of comments on the climate change, energy and nongovernmental issues in a way that's related. One of the reasons why the climate change issue is in fact so hard is that what we've learned in addressing climate change is that you have to put a price on carbon and that is fundamentally necessary to encourage a reduction of consumption of energy and reduction of carbon emissions, but it's also critical to stimulate innovation. Then you ask the question if you put a price on carbon whether that's through a cap-and-trade system or a tax, most likely in the U.S. through a cap-and-trade system, where does it have an impact? It has an impact on carbon-intensive industries, coal, steel, aluminum, automobiles, those places that are at the centerpiece of the recession right now which is what accentuates the difficulty of this agenda. Then we come back to Paula's suggestion. One of the things that we've done in the book is to recognize that on issues like this failure isn't an option so we need to find a way to continue to make success.

So what we propose on Copenhagen is that we need to think about this in a two-track approach. One track of this can be technology, development and dissemination and getting more technology into the hands of developing and emerging economies in particular. And exactly what you're proposing on the WTO and trade agenda is very much central to that because one of the things that we're starting to see is if you go to China the discussion you have on climate change is radically different from what it was 2 years ago. Two years ago it was you the industrialized world, you put this stuff up there, you fix it. Now the discussion is if we all have that attitude we're all going to die. So the only way we're going to survive here is if we radically change the way our economies function so that we have a capacity to all continue to grow while not putting carbon into the atmosphere. How do we do that? Let's transfer technology. That doesn't fix all of the problem, but if you can bring that into part of the solution, it gives us something that we can use as a benchmark point at Copenhagen that gives momentum going ahead into the future.

The other piece of this is related to the question on foreign oil and energy dependence. Interestingly, the convergence point on dependence on oil and on climate change was on the price of energy and ironically what's happened with the collapse of energy prices as a result of the recession is that nobody wants to go back to that agenda again and

nobody wants to pay higher taxes. Senator Lugar should get a badge of honor for proposing a gasoline tax saying a few months ago we were shipping this out of this country and we're making these transfers to other countries in the world and so maybe we should have learned something about the idea of energy dependence, of climate change, of promoting efficiency, and maybe we should tax gasoline to in fact actually deal with these long-term dependency questions. How many people are willing to put that forward as a realistic legislative proposition right now? Nobody is getting behind it. So this brings us back to the question of the education of the American public and the importance of leadership because this is not going to happen if we have the same attitudes that we've had in the past that nobody has to pay a price, nobody has to sacrifice. We have to be willing to accept that.

The final point I'll end on is on the question of the interrelation between governments, nongovernmental organizations and the private sector, and I'll give you potentially a very powerful example of that. ISO 14064, bureaucratic speak, important. Who would have thought 20 years ago that you would have had a requirement for international accounting standards in order to complete any business transaction that took place internationally? Probably it wouldn't have been thought of as an absolute requirement. The same organization that developed international

accounting standards and got consensus on it has an international standard, the International Standard Organization, for how you report carbon emissions. Let's say that globally you had a requirement that if you wanted a contract from the Multilateral Development Bank you had to be ISO certified in compliance on how you reported your carbon emissions. If you wanted to compete for a defense contract or a construction contract in the United States, you had to be ISO certified. And let's say you had a mechanism that in fact actually got all of this information recorded and you were able to get the kind of civic and nongovernmental movement that you got as a result of the Bhopal incident in the 1980s where there is a massive movement against toxic waste. Then potentially you can start to actually create a bottom-up consistency where you have individual citizens and citizen organization groups reinforcing that agenda on promoting change practices on climate change. I think it's an example and the kind of thing that we need to be able to move toward of recognizing that there's a real power in the private sector, a real power in citizen's organizations, that part of that depends as Sadako Ogata was saying earlier on the ability to have information and to be able to communicate and to link it back to market mechanisms in order to really be able to promote change.

SPEAKER: It's always a bit unnerving to be asked a question by a former student, Brian. I don't think the devil is in the details on a lot of

issues on international cooperation. I say that because in my 2 years' experience at the U.N. where I came away with the impression that most bureaucrats most of the time are paid to say no until a politician, a leader, empowers them to say yes. My experience in international negotiations is that the devil is in the attention paid by those who have the power to make decisions and to say yes, but they often don't pay attention. And secondly, that there's often a lack of a big picture, not the details, but lack of a big picture. My favorite "New Yorker" cartoon of all time is in fact two drunks sitting at a bar and they're toasting each other and one of them says to the other, "Here's to missing the big picture." That I actually think is a bigger problem for many of these issues of international cooperation than the devil being in the details.

It's a good question. How do you find common ground? My answer coming from political science is you create processes in which you can find common ground and the ones that we have right now aren't working. You're absolutely right. The General Assembly is a horrible place. Universal bodies are horrible places to try to find common ground amongst 192 member states. It's really, really difficult. And when you do find common ground it's at a level that's often so vague as to be useless.

What else do you have? We know that what we have right now is not doing a particularly good job at finding common ground, although

I would actually say that in some areas there is probably a lot more cooperation going on than you think. If you just take peacekeeping for instance, nations are able to cooperate to send 20 peacekeeping missions, 100,000 peacekeepers around the world. Since 1990 the Security Council has authorized 60-odd peacekeeping operations. China has signed off on all of those. China now puts in 2,500 to 3,000 peacekeepers. They're on board. So there's actually pretty good cooperation in some issue areas.

But how are you going to find common ground? Our answer is that what you need is to create a serious process by which the United States, traditional powers and the emerging powers have the opportunity to sit down and try to pre-negotiate issues, not negotiate, but pre-negotiate, that is the big picture. What are our equities? What are our interests? What are some possible ways out of the conundrums that we face? Big picture. That if you can get agreement amongst, pick your number, 13, 16 or 20, and take those to your larger fora, you're going to get better outcomes because there is an investment right from the top, right from heads of state. If you meet in this forum, let's say a G-16, every year, what happens within this bureaucracy in the United States for instance, it will become as natural for the Director for Policy Planning in the State Department at Foggy Bottom to meet with her counterparts in Brazil, China, India, Mexico, South Africa, Turkey, as she does already with her counterparts in London, Paris, Rome,

and Berlin. Why does that matter? Because London, Paris, Berlin and the United States can't solve these problems. So if you do this, you also create the opportunity to build networks and to build relationships amongst people working in bureaucracies who when the politicians say yes, they can do the details, but the details don't get done until there's somebody at the top making a decision to say, yes, this is the big picture and I want a deal.

MR. JONES: Just to close us out, I'm also going to have a quick comment on the common ground question. You highlighted two issues where it's been difficult to reach agreement, terrorism and Afghanistan. I take very well what Strobe said about being cautious about putting excessive blame on the Bush Administration around a number of issues and in the book we point out what we think are problems about the Bush Administration's approach to international cooperation, and we also point out some places where that was different, and we point out concerns that we had with the way that the Clinton Administration, sorry Sandy, sorry Carlos, approached some issues of international cooperation. But I think there are clearly some areas where the early part of the Bush Administration policy created an international context around issues where it became extremely difficult to reach agreement and terrorism was certainly one of them, and the early relationship with the allies in Afghanistan was certainly another. It doesn't mean that a change in administration

automatically means we're going to get easy cooperation on these issues, but I would say that we shouldn't over-learn from failures over the last several years or even since the post-Cold War period, we're in a different moment now. How are we going to manage the different moment? I think we're going to need the realism in our relationships with major powers that Sandy and Strobe talked about, we're going to need the respect in dealing with other states that Rich talked about, and we're going to need the reengagement in international institutions that Madam Ogata talked about, and if we have realism, respect and reengagement, I think we can over time make substantial headway on these issues.

Let us thank you then for coming and for participating today, and let me thank the panelists for joining us and participating in our launch today.

MR. PASCUAL: Let me also say that there are copies of the books available outside of anybody would like to buy some and Steve, Bruce and I will be glad to stick around for a little while and sign copies.

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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.

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