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REMARKS

**Secretary of State Hillary Rodham Clinton
On United States Foreign Policy**

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SECRETARY CLINTON: Thank you very much, Richard. And it is a pleasure to be back here at the Council with two working arms. That is something that I am very happy and grateful for, and I thank you for referencing what has been the most difficult balancing act of my time as Secretary of State: Pulling off my daughter's wedding, which I kept telling people as I traveled around the world to all of the hot spots, was much more stressful than anything else on my plate. (Laughter.) It is a real delight to see so many friends and colleagues and to have this opportunity here once again to discuss with you where we are as a country and where I hope we are headed.

Now, it's clear that many of us and many in our audience are just coming off of summer vacation. Yesterday at the State Department felt a little bit like the first day of school. Everyone showed up for our morning meeting and – (laughter) – looking a lot healthier than they did when they left. And it is also obvious that there isn't any rest for any of us. The events of the past few weeks have kept us busy.

We are working to support direct talks between the Israelis and the Palestinians, and next week I will travel to Egypt and Jerusalem for the second round of these negotiations. In Iraq, where our combat mission has ended, we are transferring and transitioning to an unprecedented civilian-led partnership. We are stepping up international pressure on Iran to negotiate seriously on its nuclear program. We are working with Pakistan as it recovers from devastating floods and continues to combat violent extremism. And of course, the war in Afghanistan is always at the top of our minds as well as our agenda.

Now, none of these challenges exist in isolation. Consider the Middle East peace talks. At one level, they are bilateral negotiations involving two peoples and a relatively small strip of land. But step back and it becomes clear how important the regional dimensions and even the global dimensions of what started last week are. And what a significant role institutions like the Quartet, consisting of the United States and Russia and the European Union and the UN, as well as the Arab League, are playing, and equally, if not more so, how vital American participation really is.

Solving foreign policy problems today requires us to think both regionally and globally, to see the intersections and connections linking nations and regions and interests, to bring people together as only America can.

I think the world is counting on us today as it has in the past. When old adversaries need an honest broker or fundamental freedoms need a champion, people turn to us. When the earth shakes or rivers overflow their banks, when pandemics rage or simmering tensions burst into violence, the world looks to us. I see it on the faces of the people I meet as I travel, not just the young people who still dream about America's promise of opportunity and equality, but also seasoned diplomats and political leaders, who, whether or not they admit it, see the principled commitment and can-do spirit that comes with American engagement. And they do look to America not just to engage, but to lead.

And nothing makes me prouder than to represent this great nation in the far corners of the world. I am the daughter of a man who grew up in the Depression and trained young sailors to fight in the Pacific. And I am the mother of a young woman who is part of a generation of Americans who are engaging the world in new and exciting ways. And in both those stories, I see the promise and the progress of America, and I have the most profound faith in our people. It has never been stronger.

Now, I know that these are difficult days for many Americans, but difficulties and adversities have never defeated or deflated this country. Throughout our history, through hot wars and cold, through economic struggles, and the long march to a more perfect union, Americans have always risen to the challenges we have faced. That is who we are. It is in our DNA. We do believe there are no limits on what is possible or what can be achieved.

And now, after years of war and uncertainty, people are wondering what the future holds, at home and abroad.

So let me say it clearly: The United States can, must, and will lead in this new century.

Indeed, the complexities and connections of today's world have yielded a new American Moment, a moment when our global leadership is essential, even if we must often lead in new ways. A moment when those things that make us who we are as a nation – our openness and innovation, our determination and devotion to core values – have never been more needed.

This is a moment that must be seized through hard work and bold decisions to lay the foundations for lasting American leadership for decades to come.

But now, this is no argument for America to go it alone; far from it. The world looks to us because America has the reach and resolve to mobilize the shared effort needed to solve problems on a global scale in defense of our own interests, but also as a force for progress. In this we have no rival.

For the United States, global leadership is both a responsibility and an unparalleled opportunity.

When I came to the Council on Foreign Relations a little over a year ago to discuss the Obama Administration's vision of American leadership in a changing world, I called for a new global architecture that could help nations come together as partners to solve shared problems. Today I'd like to expand on this idea, but especially to explain how we are putting it into practice.

Now, architecture is the art and science of designing structures that serve our common purposes, built to last and to withstand stress. And that is what we seek to build; a network of alliances and

partnerships, regional organizations and global institutions, that is durable and dynamic enough to help us meet today's challenges and adapt to threats that we cannot even conceive of, just as our parents never dreamt of melting glaciers or dirty bombs.

We know this can be done, because President Obama's predecessors in the White House and mine in the State Department did it before. After the Second World War, the nation that had built the transcontinental railroad, the assembly line, the skyscraper, turned its attention to constructing the pillars of global cooperation. The third World War that so many feared never came. And many millions of people were lifted out of poverty and exercised their human rights for the first time. Those were the benefits of a global architecture forged over many years by American leaders from both political parties.

But this architecture served a different time and a different world. As President Obama has said, today it "is buckling under the weight of new threats." The major powers are at peace, but new actors – good and bad – are increasingly shaping international affairs. The challenges we face are more complex than ever, and so are the responses needed to meet them. That is why we are building a global architecture that reflects and harnesses the realities of the 21st century.

We know that alliances, partnerships, and institutions cannot and do not solve problems by themselves. Only people and nations solve problems. But an architecture can make it easier to act effectively by supporting the coalition-forging and compromise-building that is the daily fare of diplomacy. It can make it easier to identify common interests and convert them to common action. And it can help integrate emerging powers into an international community with clear obligations and expectations.

We have no illusions that these goals can be achieved overnight or that countries will suddenly cease to have divergent interests. We know that the test of our leadership is how we manage those differences and how we galvanize nations and peoples around their commonalities even when they do have diverse histories, unequal resources, and competing world-views. And we know that our approach to solving problems must vary from issue to issue and partner to partner. American leadership, therefore, must be as dynamic as the challenges we face.

But there are two constants of our leadership, which lie at the heart of the President's National Security Strategy released in May, and which run through everything we do:

First, national renewal aimed at strengthening the sources of American power, especially our economic might and moral authority. This is about more than ensuring we have the resources we need to conduct foreign policy, although that is critically important. I remember when I was a young girl, I was stirred by President Eisenhower's assertion that education would help us win the Cold War. I really took it to heart. I didn't like mathematics, but I figured I had to study it for my country. (Laughter.) I also believed that we needed to invest in our people and their talents and in our infrastructure.

President Eisenhower was right. America's greatness has always flowed in large part from the dynamism of our economy and the creativity of our people. Today, more than ever, our ability to exercise global leadership depends on building a strong foundation here at home. That's why rising

debt and crumbling infrastructure pose very real long-term national security threats. President Obama understands this. You can see it in the new economic initiatives that he announced this week and in his relentless focus on turning the economy around.

The second constant is international diplomacy – good, old-fashioned diplomacy – aimed at rallying nations to solve common problems and achieve shared aspirations. As Dean Acheson put it in 1951, “the ability to evoke support from others” is “quite as important as the capacity to compel.” To this end, we have repaired old alliances and forged new partnerships. We have strengthened institutions that provide incentives for cooperation, disincentives for sitting on the sidelines, and defenses against those who would undermine global progress. And we’ve championed the values that are at the core of the American character.

Now there should be no mistake. Of course, this Administration is also committed to maintaining the greatest military in the history of the world and, if needed, to vigorously defend ourselves and our friends.

After more than a year and a half, we have begun to see the dividends of this strategy. We are advancing America's interests and making progress on some of our most pressing challenges. Today, we can say with confidence that this model of American leadership, which brings every tool at our disposal to be put to work on behalf of our national interest works, and that it offers the best hope in a dangerous world. I’d like to outline several steps we’re taking with respect to implementing this strategy.

First, we have turned to our closest allies, the nations that share our most fundamental values and interests, and our commitment to solving common problems. From Europe and North America to East Asia and the Pacific, we are renewing and deepening the alliances that are the cornerstone of global security and prosperity.

And let me say a few words in particular about Europe. In November, I was privileged to help mark the 20th anniversary of the fall of the Berlin Wall, which closed the door on Europe’s broken past. And this summer in Poland, we marked the 10th anniversary of the Community of Democracies, which looks ahead to a brighter tomorrow. At both events, I was reminded of how far we have come together. What strength we draw from the common wellspring of our values and aspirations. The bonds between Europe and America were forged through war and watchful peace, but they are rooted in our shared commitment to freedom, democracy and human dignity. Today, we are working with our allies there on nearly every global challenge. President Obama and I have reached out to strengthen both our bilateral and multilateral ties in Europe.

And the post-Lisbon EU is developing an expanded global role, and our relationship is growing and changing as a result. Now, there will be some challenges as we adjust to influential new players such as the EU Parliament, but these are debates among friends that will always be secondary to the fundamental interests and values we share. And there is no doubt that a stronger EU is good for America and good for the world.

And of course, NATO remains the world’s most successful alliance. Together with our allies, including new NATO members in Central and Eastern Europe, we are crafting a new Strategic Concept that will

help us meet not only traditional threats, but also emerging ones like cyber security and nuclear proliferation. Just yesterday, President Obama and I discussed these issues with NATO Secretary General Rasmussen.

After the United States was attacked on 9/11, our allies invoked Article V of the NATO charter for the first time. They joined us in the fight against al-Qaida and the Taliban. And after President Obama refocused the mission in Afghanistan, they contributed thousands of new troops and significant technical assistance. We honor the sacrifices our allies continue to make, and recognize that we are always strongest when we work together.

A core principle of all our alliances is shared responsibility. Each nation must step up to do its part. An American leadership does not mean we do everything ourselves. We contribute our share, often the largest share, but we also have high expectations of the governments and peoples we work with.

Helping other nations develop that capacity to solve their own problems – and participate in solving other shared problems – has long been a hallmark of American leadership. Our contributions are well-known to the reconstruction of Europe, to the transformation of Japan and Germany. We moved them from aggressors to allies, to the growth of South Korea into a vibrant democracy that now contributes to global progress. These are among some of American foreign policy's proudest achievements.

In this interconnected age, America's security and prosperity depend more than ever on the ability of others to take responsibility for defusing threats and meeting challenges in their own countries and regions.

That's why a second step in our strategy for global leadership is to help develop the capacity of developing partners. To help countries obtain the tools and support they need to solve their own problems. To help people lift themselves, their families, and their societies out of poverty, away from extremism and towards sustainable progress.

We in the Obama Administration view development as a strategic, economic, and moral imperative. It is central to advancing American interests – as central as diplomacy and defense. Our approach is not, however, development for development's sake; it is an integrated strategy for solving problems.

Look at the work to build institutions and spur economic development in the Palestinian territories, something that Jim Wolfensohn knows firsthand. The United States invests hundreds of millions of dollars to build Palestinian capacity because we know that progress on the ground improves security and helps lay the foundation for a future Palestinian state. And it creates more favorable conditions for negotiations. The confidence that the new Palestinian security force has displayed has affected the calculus of Israeli leadership, and the United States was behind building that security force along with other partners like Jordan. But the principal responsibility rests on the decisions made by the Palestinian Authority themselves. So with our help and their courage and commitment, we see progress that influences negotiations and holds out a greater promise for an eventual agreement.

Now, this is the right thing to do, of course. We agree with that. But make no mistake, it is rooted in our understanding that when all people are given more tools of opportunity, they are more willing to actually take risks for peace. And that's particularly true when it comes to women. You knew I would

not get through this speech without mentioning women and women's rights. We believe strongly that investing in opportunities for women drives social and economic progress that benefits not only their families and societies, but has a rebound effect that benefits others, including us as well.

Similarly, investments in countries like Bangladesh and Ghana bet on a future that they will join with neighbors and others in not only solving their own rather difficult challenges of poverty, but then helping to be bulwarks that send a different message to their regions. We take into account also the countries that are growing rapidly and already exercising influence, countries like China and India, Turkey, Mexico, Brazil, Indonesia, South Africa, as well as Russia.

Our third major step, therefore, has been to deepen engagement with these emerging centers of influence. We and our allies, indeed, people everywhere have a stake and they're playing constructive, regional, and global roles. Because being a 21st century power means having to accept a share of the burden of solving common problems, and of abiding by a set of the rules of the road, so to speak, on everything from intellectual property rights to fundamental freedoms.

So through expanded bilateral consultation and within the context of regional and global institutions, we do expect these countries to begin to assume greater responsibility. For example, in our most recent Strategic and Economic Dialogue in China, for the first time, development was on the agenda, something that the Chinese are doing in conjunction with their commercial interests, but which we wanted to begin to talk about so that we could better cooperate and we could perhaps share lessons learned about how best to pursue development. In one country in Africa, we're building a hospital, the Chinese are building a road; we thought it was a good idea that the road would actually go to the hospital. It's that kind of discussion that we think can make a difference for the people that we are both engaged with.

India, the world's largest democracy, has a very large convergence of fundamental values and a broad range of both national and regional interests. And we are laying the foundation for an indispensable partnership. President Obama will use his visit in November to take our relationship to the next level.

With Russia, when we took office, it was amid cooling to cold relations and a return to Cold War suspicion. Now, this may have invigorated spy novelists and armchair strategists, but anyone serious about solving global problems such as nuclear proliferation knew that without Russia and the United States working together, little would be achieved. So we refocused the relationship. We offered a relationship based on not only mutual respect, but also mutual responsibility.

And in the course of the last 18 months, we have a historic new arms reduction treaty, which the Senate will take up next week; cooperation with China and the UN Security Council on tough new sanctions against both Iran and North Korea; a transit agreement to support our efforts in Afghanistan; a new bilateral presidential commission and civil society exchange that are forging closer people-to-people ties; and, of course, as we were reminded this past summer, the spy novelists still have plenty to write about, so it's kind of a win-win. (Laughter.)

Now, working with these emerging powers is not always smooth or easy. Disagreements are inevitable. And on certain issues such as human rights with China or Russian occupation of Georgia, we simply do not see eye to eye, and the United States will not hesitate to speak out and stand our

ground. When these nations do not accept the responsibility that accrues with expanding influence, we will do all that we can to encourage them to change course while we will press ahead with other partners. But we know it will be difficult, if not impossible, to forge the kind of future that we expect in the 21st century without enhanced comprehensive cooperation.

So our goal is to establish productive relationships that survive the times when we do not agree and that enable us to continue to work together. And a central element of that is to engage directly with the people of these nations. Technology and the speed of communication, along with the spread of democracy, at least in technology, has empowered people to speak up and demand a say in their own futures. Public opinions and passions matter even in authoritarian states. So in nearly every country I visit, I don't just meet with government officials. In Russia, I did an interview on one of the few remaining independent radio stations. In Saudi Arabia, I held a town hall at a women's college. In Pakistan, I answered questions from every journalist, student, and business leader we could find.

While we expand our relationships, therefore, with the emerging centers of influence, we are working to engage them with their own publics. Time and time again, I hear, as I do interviews from Indonesia to the Democratic Republic of Congo to Brazil, how novel it seems to people that an official would come and take questions from the public. So we're not only engaging the public and expanding and explaining America's values and views; we're also sending a message to those leaders. And as we do so, we are making it clear that we expect more from them and that we do want the kind of challenges that we face to be addressed in a regional context.

Think about the complex dynamics around violent extremism both in Afghanistan and Pakistan and emerging out of those two countries to the rest of the world, or the process of reintegrating Iraq into its neighborhood, which is a very tough neighborhood indeed. Regional dynamics will not remain static. And there are a lot of other players who are working day and night to influence the outcomes of those particular situations.

And we know too that other emerging powers like China and Brazil have their own notions about what the right outcome would be or what regional institutions should look like, and they are busy pursuing them. So our friends, our allies, and people around the world who share our values depend on us to remain robustly engaged. So the fourth step in our strategy has been to reinvigorate America's commitment to be an active transatlantic, transpacific, and hemispheric leader.

In a series of speeches and ongoing consultations with our partners, we've laid out core principles for regional cooperation and we've worked to strengthen institutions to adapt to these new circumstances.

Look at the Asia-Pacific region. When we took office, there was a perception, fair or not, that America was absent. So we made it clear from the beginning that we were back. We reaffirmed our bonds with close allies like South Korea, Japan, Australia, and we deepened our engagement with China and India.

Now, the Asia-Pacific currently has few robust institutions to foster effective cooperation and reduce the friction of competition, so we began building a more coherent regional architecture with the United States deeply involved.

On the economic front, we've expanded our relationship with APEC, which includes four of America's top trading partners and receives 60 percent of our exports. We want to realize the benefits from greater economic integration. In order to do that, we have to be willing to play. To this end, we are working to ratify a free trade agreement with South Korea, we're pursuing a regional agreement with the nations of the Trans-Pacific Partnership, and we know that that will help create new jobs and opportunities here at home.

We've also decided to engage with the East Asia Summit, encouraging its development into a foundational security and political institution. I will be representing the United States at this year's East Asia Summit in Hanoi, leading up to presidential participation in 2011.

And in Southeast Asia, ASEAN actually encompasses more than 600 million people in its member nations. There is more U.S. business investment in the ASEAN nations than in China. So we have bolstered our relationship by signing the Treaty of Amity and Cooperation, announcing our intention to open a mission and name an ambassador to ASEAN in Jakarta, and a commitment to holding annual U.S.-ASEAN summits.

Because we know the Asia-Pacific region will grow in importance and developing these institutions will establish habits of cooperation that will be vital to stability and prosperity.

Now, effective institutions are just as crucial at the global level. So our fifth step has been to reengage with the global institutions and to work to modernize them to meet the evolving challenges we face. We obviously need institutions that are flexible, inclusive, complementary, instead of just competing with each other over turf and jurisdiction. We need them to play productive roles that marshal our common efforts and enforce the system of rights and responsibilities.

Now, the UN remains the single most important global institution. We are constantly reminded of its value: the Security Council enacting sanctions against Iran and North Korea; peacekeepers patrolling the streets of Monrovia and Port-au-Prince; aid workers assisting flood victims in Pakistan and displaced people in Darfur; and, most recently, the UN General Assembly establishing a new entity called UN Women, which will promote gender equality and expand opportunity for women and girls, and tackle the violence and discrimination they face.

But we are also constantly reminded of its limitations. It is difficult, as many of you in this audience know, for the UN's 192 member-states to achieve consensus on institutional reform, including and especially reforming the Security Council. We believe the United States has to play a role in reforming the UN, and we favor Security Council reform that enhances the UN's overall performance and effectiveness and efficiency. And we equally and strongly support operational reforms that enable UN field missions to deploy more rapidly, with adequate numbers of well-equipped and well-trained troops and police, and with the quality of leadership and civilian expertise they require. We will not only embrace but we will advocate management reforms and savings that prevent waste, fraud, and abuse.

Now, the UN was never intended to tackle every challenge, nor should it. So we are working with other organizations. To respond to the global financial crisis, we elevated the G-20. We convened the first-ever Nuclear Security Summit. New or old, the effectiveness of institutions depends on the commitment of their members. And we have seen a level of commitment to these enterprises that we will continue to nurture.

Now, our efforts on climate change – and I see our special envoy, Todd Stern, here – offer an example of how we are working through multiple venues and mechanisms. The United Nations Framework Convention on Climate Change process allows all of us – developed and developing, north, south, east, and west – to work within a single venue to meet this shared challenge.

But we also launched the Major Economies Forum to focus on the biggest emitters, including ourselves. And when negotiations in Copenhagen reached an impasse, President Obama and I went into a meeting with China, India, South Africa, and Brazil to try to forge a compromise. And then with our colleagues from Europe and elsewhere, we fashioned a deal that, while far from perfect, saved the summit from failure and represents progress we can build on. Because for the first time, all major economies made national commitments to curb carbon emissions and report with transparency on their mitigation efforts.

So we know that there's a lot to be done on substantive issues, and there must continue to be an emphasis on democracy, human rights, and the rule of law, so that they are cemented into the foundations of these institutions.

This is something that I take very seriously, because there's no point in trying to build institutions for the 21st century that don't act to counter repression and resist pressure on human rights, that extend fundamental freedoms over time to places where they have too long been denied.

And that is our sixth major step. We are upholding and defending the universal values that are enshrined in the UN Charter and the Universal Declaration of Human Rights.

Because today, everywhere, these principles are under threat. In too many places, new democracies are struggling to grow strong roots. Authoritarian regimes are cracking down on civil society and pluralism. Some leaders see democracy as an inconvenience that gets in the way of the efficient exercise of national power.

So this world view must be confronted and challenged everywhere. Democracy needs defending. The struggle to make human rights a human reality needs champions.

And this work starts at home, where we have rejected the false choice between our security and our values. It continues around the world, where human rights are always on our diplomatic and development agendas, even with nations on whose cooperation we depend for a wide range of issues, such as Egypt, China, and Russia. We're committed to defending these values on the digital frontiers of the 21st century. A lot has been said about our 21st century statecraft and our e-diplomacy, but we really believe that it's an important additional tool for us to utilize.

And in Krakow this summer, I announced the creation of a new fund to support civil society and embattled NGOs around the world, a continuing focus of U.S. policy.

Now, how do all of these steps – deepening relations with allies and emerging powers, strengthening institutions and shared values – work together to advance our interests? Well, one need only look at the effort we've taken this past year to stop Iran's provocative nuclear activities and its serial noncompliance with its international obligations. Now, there is still a lot of work to be done, but we are approaching the Iranian challenge as an example of American leadership in action.

First, we began by making the United States a full partner and active participant in international diplomatic efforts regarding Iran. We had been on the sidelines, and frankly, that was not a very satisfying place to be. Through our continued willingness to engage Iran directly, we have re-energized the conversation with our allies and are removing all of those excuses for lack of progress.

Second, we have sought to frame the issue within the global nonproliferation regime in which the rules of the road are clearly defined for all parties. To lead by example, we have renewed our own disarmament efforts. Our deepened support for global institutions such as the IAEA underscores the authority of the international system. And Iran, on the other hand, continues to single itself out through its own actions, drawing even criticism for its refusal to permit IAEA inspectors to visit from Russia and China in the last days. Its intransigence represents a challenge to the rules that all countries must adhere to.

And third, we have strengthened our relationship with those countries whose help we need if diplomacy is to be successful. Through classic shoe-leather diplomacy, we've built a broad consensus that will welcome Iran back into the community of nations if it meets its obligations and will likewise hold Iran accountable if it continues its defiance.

This spring, the UN Security Council passed the strongest and most comprehensive set of sanctions. The European Union then followed with robust implementation of that resolution. Many other nations are implementing their own additional measures, including Australia, Canada, Norway, and most recently, Japan. So we believe Iran is beginning to feel the impact of these sanctions. But beyond what governments are doing, the international financial and commercial sectors are also starting to recognize the risks of doing business with Iran.

Sanctions and pressures, however, are not ends in themselves. They are the building blocks of leverage for a negotiated solution, to which we and our partners remain committed. The choice for Iran's leaders is clear, and they have to decide whether they accept their obligations or increasing isolation and the costs that come with it, and we will see how Iran decides.

Now, our task going forward is to continue to develop this approach, to develop the tools that we need, and we have to strengthen civilian power. Now, when I was here last year, we were just at the beginning of making the case to Congress that we had to have more diplomats and more development experts. We had to have greater Foreign Service and Civil Service personnel. Congress has already then appropriated funds for more than 1,100 new Foreign and Civil Service officers. USAID has begun a series of reforms aimed at reestablishing it as the world's premier development agency. Across the board, we need to rethink, reform, and recalibrate. And in a time of tight budgets, we not only have

to assure our resources are spent wisely; we have to make the case to the American taxpayer and the members of Congress that this is an important investment. That's why I launched the first-ever Quadrennial Diplomacy and Development Review. We call it the QDDR, a wholesale review of State and USAID to recommend how we can better equip, fund, and organize ourselves. I'll be talking more about that in the coming weeks as this review is completed and published.

But we recognize the scope of the efforts we've undertaken. I had a lot of wonderful advice from my predecessors. And one of the most common pieces of advice was: You can either try to manage the building or manage the world; you can't try to do both. (Laughter.) We are trying to do both, which is an impossible task to start with.

But we're not trying to do it alone. We are forging a closer partnership with the Defense Department. Bob Gates has been one of the strongest advocates of the position that we are taking, that I am expressing today. He constantly is encouraging the Congress to give us the funds that we asked for. But there's a legitimate question, and some of you have raised it, I know in print and elsewhere: How can you try to manage or at least address and even try to solve all of these problems?

But our response in this day where there is nothing that doesn't come to the forefront of public awareness: What do we give up on? What do we put on the backburner? Do we sideline development? Do we put some hot conflicts on hold? Do we quit trying to prevent other conflicts from unfreezing and heating up? Do we give up on democracy and human rights? I don't think that's what is either possible or desirable. And it is not what Americans do. But it does require a lot of strategic patience.

When our troops come home, as they are from Iraq and eventually from Afghanistan, we'll still be involved in diplomatic and development efforts, trying to rid the world of nuclear dangers and turn back climate change, end poverty, quell the epidemic of HIV/AIDS, tackle hunger and disease. That's the work not of a year or even of a presidency, but of a lifetime. And it is the work of generations.

America has made generational commitments to building the kind of world that we wanted to inhabit for many decades now. We cannot turn away from that responsibility. We are a nation that has always believed we have the power to shape our own destiny and to cut a new and better path, and frankly, to bring along people who were likeminded from around the world. So we will continue to do everything we can to exercise the best traditions of American leadership at home and abroad, to build that more peaceful and prosperous future for our children and for children everywhere.

Thank you. (Applause.)

MR. HAASS: Well, thank you. And I will ask a slightly longer first question than I normally would while you fumble with that.

SECRETARY CLINTON: Thank you very much. (Laughter.) Very kind of you.

MR. HAASS: The old stall tactic, filibuster, and you may recall that from a previous life.

SECRETARY CLINTON: Yes, I do, but I never knew it would be so common. (Laughter.)

MR. HAASS: Yes, it's – Council on Foreign Relations, we're trying to keep up. We're trying to keep up. Touché.

Let me start where – you okay?

SECRETARY CLINTON: Yeah.

MR. HAASS: Let me start where you began – where you ended rather – which was with all these things we want to do, and you called for strategic patience in Afghanistan and so forth. Yet the United States is soon approaching a point where the scale or size of our debt will exceed our GDP. It's a question of when more than if. Where does national security contribute to the solution to running deficits of \$1.5 trillion a year, or do we continue to carry out a foreign and defense policy as if we were not seriously resource constrained?

SECRETARY CLINTON: Well, Richard, first, as I said, I think that our rising debt levels poses a national security threat, and it poses a national security threat in two ways. It undermines our capacity to act in our own interests and it does constrain us where constraint may be undesirable. And it also sends a message of weakness internationally. I mean, it is very troubling to me that we are losing the ability not only to chart our own destiny, but to have the leverage that comes from this enormously effective economic engine that has powered American values and interests over so many years.

So I don't think we have a choice. It's a question of how we decide to deal with this debt and deficit. I mean, it is – we don't need to go back and sort of re-litigate how we got to where we are. But it is fair to say that we fought two wars without paying for them and we had tax cuts that were not paid for either, and that has been a very deadly combination to fiscal sanity and responsibility.

So the challenge is how we get out of it by making the right decisions, not the wrong decisions. There's a lot of wrong things we could do that would further undermine our strength. I mean, it is going to be very difficult for those decisions. And I know there's an election going on and I know that I am, by law, out of politics, but I will say that this is not just a decision for the Congress; it's a decision for the country. And it's not a Republican or a Democratic decision. And there are a lot of people who know more about what needs to be done and who, frankly, have a responsible view, whose voices are not being heard right now, and I think that is a great disservice to our nation. Whether one is a Republican or a Democrat, a conservative, a progressive, whatever you call yourself, there is no free lunch and we cannot pretend that there is without doing grave harm to our country and our future generations.

So when you specifically say, well, what about diplomacy, development and defense, we will have to take our share of the burden of meeting the fiscal targets that can drag us out of this deep hole we're in, but we've got to be smart about it. And I think from both my perspective and Bob Gates's perspective, and we talked about this a lot, Bob has made some very important recommendations that

are not politically popular, but which come with a very well thought out policy. And what I've tried to do is to say, "Look, we're going to try to be smarter, more effective." In our QDDR, we're recommending changes in personnel policies, in all kinds of approaches that will better utilize what we have. But we needed to get a little more robust in order to catch up to our responsibilities.

A quick final point on that. When our combat troops move out of Iraq, as they've been, that will save about \$15 billion. That's a net win for our Treasury, and it's the policy that we have committed to along with the Iraqis. The Congress cuts my budget of the State Department and USAID for trying to pick up the pieces that we're left with. We now have the responsibility for the police training mission, for opening up consulates that have to be secure. So even though our troops are coming down and we're saving money, and what we're asking for is considerably less than the \$15 billion that we are saving by having the troops leave, the Congress cuts us.

And so we have to get a more sensible, comprehensive approach. And Bob and I have talked about trying to figure out how to present a national security budget. It's a mistake to look at all of these items – foreign aid, diplomatic operations, defense – as stovepipes. Because what we know, especially from the threats that we have faced in Iraq and now in Afghanistan, is you have to be more integrated. So let's start thinking from a budget perspective about how to be more integrated.

So there's a lot that we can do on our side to help. But the bottom line is that the public and the Congress and the Administration have to make some very tough decisions, and I hope we make the right decisions.

MR. HAASS: Let me just follow up on that because you broached the political issue, and let me do it in the following way. I don't have a crystal ball any better than anyone else's, but let's assume some of the pundits are essentially right and Republicans pick up quite a few seats in the House – whether they have control or not, who knows, they pick up a few seats in the Senate – so government is more divided come the new Congress when it takes office early next year. What does that mean for you? What are the opportunities? What are the problems in that for being Secretary of State?

SECRETARY CLINTON: Well, I won't answer that as a political question because I don't want to cross my line here. But I will say that I have found a lot of support for what we're trying to do on both sides of the aisle in both houses, and I think we will continue to have that. And I'm hoping that we can maybe reestablish something of a détente when it comes to foreign policy that cuts across any partisan divide.

Like, take the START treaty; we have unanimous support for that. Our two chief negotiators, Rose Gottemoeller, our Assistant Secretary, and Ellen Tauscher, our Under Secretary, are here and they did a terrific job. And we've had a very positive endorsement of it by former secretaries of State and Defense, of both parties, the Joint Chiefs have come out, everybody's come out for it. And it's a political issue. I wish it weren't because most of these treaties pass 95 to nothing, 90 to 3. They have huge overwhelming majorities in the Senate.

But we know that we have political issues that we have to address, which we are, and talking to those who have some questions. But I hope at the end of the day, the Senate will say, "Something should just be beyond any kind of election or partisan calculation," and that everybody will pull together and

will get that START treaty done, which I know, from my own conversations with Eastern and Central Europeans and others, is seen as a really important symbol of our commitment to continue working with the Russians.

MR. HAASS: Let's ask one last question, then I'll open it up to our members. You're about, as you said, to head back to the Middle East for the resumption of the Israeli-Palestinian talks. The op-ed pages have been filled. I would say a majority of the pieces have been quite pessimistic. Why are the pessimists wrong? (Laughter.)

SECRETARY CLINTON: Well, I think they're wrong because I think that both sides and both leaders recognize that there may not ever be another chance. I think for most Israeli leaders that I have known and worked with and especially those coming from sort of the right of Israeli politics, which the prime minister does, it's like Mario Cuomo's famous line: "They campaign in poetry and they govern in prose." And the prose is really challenging.

You look at where Israel is and the threats it faces demographically, technologically, ideologically, and the idea of striking a peace deal with a secular Palestinian Authority that is committed to its own people's economic future makes a lot of sense if it can be worked out. From Abbas, he was probably the earliest and at times the only Palestinian leader who called for a two-state solution going back probably 20, 30 years, and for him, this is the culmination of a life's commitment.

And I think that the Arab League Initiative, the peace initiative, put the Arab – most Arab and Muslim countries on record as saying that they could live with and welcome a two-state solution. Fifty-seven countries, including some we know didn't mean it, but most have followed through in commitments to it, has changed the atmosphere. So I know how difficult it is, and I know the internal domestic political considerations that each leader has to contend with, but I think there is a certain momentum. We have some challenges in the early going that we have to get over, but I think that we have a real shot here.

MR. HAASS: So I'll open it up and what I'll ask is people to identify themselves, wait for a microphone, and please limit yourself to one question and be as short as you can. Sir, I don't know your name, but just – pick up.

QUESTION: How are you, Secretary Clinton? My name is Travis Atkins. I'm an International Affairs Fellow with the Council on Foreign Relations focusing on Sudan this year. And my question is if – you mentioned Darfur once in your talk – if you could elaborate a little bit on our ramped up efforts in Sudan as we head towards the referendum there in January.

SECRETARY CLINTON: Well, thank you. Thanks for asking and thanks for your work on Sudan. We have a very difficult set of challenges in Sudan. Some of you in this audience, those of you who were in government before like John Negroponte and others, you know this firsthand – the situation in Darfur is dangerous, difficult, not stable.

But the situation North-South is a ticking time bomb of enormous consequence. So we are ramping up our efforts to bring the parties together, North and South, the African Union, others to focus on this referendum which has not been given the attention it needs, both because the South is not quite

capable of summoning the resources to do it, and the North has been preoccupied and is not inclined to do it because it's pretty clear what the outcome will be. The African Union committee under Thabo Mbeki has been working on it.

So we are upping our diplomatic and development efforts. We have increased our presence in Juba, we have sent a – we've opened a – kind of a consulate and sent a consul general there, we are – Princeton Lyman, whom some of you know, is – sort of signed on to help as well with Scott Gration and his team.

MR. HAASS: Until last week, a senior fellow here.

SECRETARY CLINTON: That's right, and Assistant Secretary Johnnie Carson. It's really all hands on deck, so that we're trying to convince the North and South and all the other interested parties who care about the Comprehensive Peace Agreement to weighing in to getting this done. The timeframe is very short. Pulling together this referendum is going to be difficult. We're going to need a lot of help from NGOs, the Carter Center, and others who are willing to help implement the referendum.

But the real problem is what happens when the inevitable happens and the referendum is passed and the South declares independence. So simultaneously, we're trying to begin negotiations to work out some of those intractable problems. What happens to the oil revenues? And if you're in the North and all of a sudden, you think a line's going to be drawn and you're going to lose 80 percent of the oil revenues, you're not a very enthusiastic participant, what are the deals that can possibly be made that will limit the potential of violence? And even if we did everything perfectly and everyone else – the Norwegians, the Brits, everybody who is weighing in on this – did all that they could, the reality is that this is going to be a very hard decision for the North to accept.

And so we've got to figure out some ways to make it worth their while to peacefully accept an independent South and for the South to recognize that unless they want more years of warfare and no chance to build their own new state, they've got to make some accommodations with the North as well. So that's what we're looking for. If you have any ideas from your study, let us know.
(Laughter.)

MR. HAASS: We'll turn to Carla Hills.

QUESTION: Secretary Clinton, first of all, thank you for a really far-ranging, extraordinarily interesting talk. You mentioned strategies that are regional, and I'd like you to just say a word more about this hemisphere. You gave a wonderful speech at the border of Mexico where you asserted that we had responsibility for the drugs coming north and the guns going south. Talk a little bit about how we are implementing strategies to turn that around and also to gain friendships that would be helpful throughout Latin America.

SECRETARY CLINTON: Well, first, Carla, thank you for asking about this hemisphere, because it is very much on our minds and we face an increasing threat from a well-organized network drug trafficking threat that is, in some cases, morphing into or making common cause with what we would consider an insurgency in Mexico and in Central America.

And we are working very hard to assist the Mexicans in improving their law enforcement and their intelligence, their capacity to detain and prosecute those whom they arrest. I give President Calderon very high marks for his courage and his commitment. This is a really tough challenge. And these drug cartels are now showing more and more indices of insurgency; all of a sudden, car bombs show up which weren't there before.

So it's becoming – it's looking more and more like Colombia looked 20 years ago, where the narco-traffickers control certain parts of the country, not significant parts. And Colombia – it got to the point where more than a third of the country, nearly 40 percent of the country at one time or another was controlled by the insurgents, by FARC. But it's going to take a combination of improved institutional capacity and better law enforcement and, where appropriate, military support for that law enforcement married to political will to be able to prevent this from spreading and to try to beat it back.

Mexico has capacity and they're using that capacity, and they've been very willing to take advice. They're wanting to do as much of it on their own as possible, but we stand ready to help them. But the small countries in Central America do not have that capacity, and the newly inaugurated president of Costa Rica, President Chinchilla, said, "We need help and we need a much more vigorous U.S. presence."

So we are working to try to enhance what we have in Central America. We hear the same thing from our Caribbean friends, so we have an initiative, the Caribbean Basin Security Initiative. And our relationship is not all about drugs and violence and crime, but unfortunately, that often gets the headlines. We are also working on more economic programs, we're working on Millennium Challenge grants, we're working on a lot of other ways of bolstering economies and governments to improve rule of law. But this is on the top of everyone's minds when they come to speak with us.

And I know that Plan Colombia was controversial. I was just in Colombia and there were problems and there were mistakes, but it worked. And it was bipartisan, started in the Clinton Administration, continued in the Bush Administration, and I think President Santos will try to do everything he can to remedy the problems of the past while continuing to make progress against the insurgency. And we need to figure out what are the equivalents for Central America, Mexico, and the Caribbean.

And that's not easy because these – you put your finger on it. Those drugs come up through Bolivia, Peru, Colombia, through Central America, Southern Mexico to the border, and we consume them. And those guns, legal and illegal, keep flooding along with all of the mayhem. It's not only guns; it's weapons, it's arsenals of all kinds that come south. So I feel a real sense of responsibility to do everything we can, and again, we're working hard to come up with approaches that will actually deliver.

MR. HAASS: Speaking of guns, I'm going to be shot if I don't ask a question that comes from one of our national members, and thanks to the iPad I have on my lap, I can ask it. Several have written in about the impact of the mosque debate in New York, about the threat to burn Qu'rans. How do – what's your view on all this from the Department of State? How does this complicate your life? (Laughter.)

SECRETARY CLINTON: Well, I mean, we're a country of what, 310 million-plus right now and – I mean, it's regrettable that a pastor in Gainesville, Florida with a church of no more than 50 people can make this outrageous and distressful, disgraceful plan and get the world's attention, but that's the world we live in right now. I mean, it doesn't, in any way, represent America or Americans or American Government or American religious or political leadership. And we are, as you've seen in the last few days, speaking out. General Petraeus made the very powerful point that as seemingly small a group of people doing this, the fact is that it will have potentially great harm for our troops. So we are hoping that the pastor decides not to do this. We're hoping against hope that if he does, it won't be covered -- (laughter) --

MR. HAASS: Bonne chance.

SECRETARY CLINTON: -- as an act of patriotism. But I think that it's unfortunate. I mean, it's not who we are, and we just have to constantly be demonstrating by our words and actions. And as I remind my friends around the world, in the environment in which we all now operate, anybody with an iPhone, anybody with a blog, can put something out there which is outrageous. I mean, we went through the cartoon controversy. We went through the Facebook controversy in Pakistan. Judith McHale, who is our Under Secretary for Public Diplomacy, is on the front lines of pushing back on all of this all the time. And so we want to be judged by who we are as a nation, not by something that is so aberrational. And we'll make that case as strongly as possible.

MR. HAASS: Time for one more?

SECRETARY CLINTON: Sure.

MR. HAASS: Okay, let me first of all apologize for the 283 of you who's questions will not – (laughter) – get answered. And let me also say that after the Secretary completes her next answer, if people would just remain seated while we get you out quickly and safely.

SECRETARY CLINTON: Safely? Do you think they're going to storm the stage? (Laughter.)

MR. HAASS: This is the –

SECRETARY CLINTON: I don't know. I'm looking at this audience. There's a – (laughter) – a few people I think that might. (Laughter.)

QUESTION: Thanks, Richard. Barbara Slavin, an independent journalist. Madam Secretary, it's a pleasure and I appreciate the responsibility on my shoulders. I have two very quick ones.

MR. HAASS: (Off mike.)

QUESTION: Very easy ones.

SECRETARY CLINTON: Go ahead.

QUESTION: Is it the role of the United States to support the Green Movement, the opposition in Iran? And if so, how should we be doing that?

And secondly, you've hardly mentioned North Korea. Is U.S. policy now just to let North Korea stew in its own juices until the next Kim takes over? Thank you.

SECRETARY CLINTON: Well, with respect to the first question, it is definitely our policy to support freedom and human rights inside Iran, and we have done so by speaking out. We have done so by trying to equip Iranians with the tools, particularly the technology tools that they need, to be able to communicate with each other to make their views known. We have strongly condemned the actions of the Iranian Government and continue to do so.

I don't think there's any doubt that Iran is morphing into a military dictatorship with a sort of religious, ideological veneer. It is becoming the province of the Iranian Revolutionary Guard and in concert with some of the clerical and political leadership. And I don't think that's what the Iranian Revolution for a Republic of Iran, an Islamic Republic of Iran was ever meant to become.

So I know there's a great deal of ferment and activities inside Iran that we do try to support. At the same time, we don't want to either endanger or undermine those very same people so that it becomes, once again, the U.S. doing something instead of the U.S. being supportive of what indigenous efforts are taking place.

We know that Iran is under tremendous pressure. Early returns from implementation of the sanctions are that they're feeling the economic effects. We would hope that that would lead them to reconsider their positions, not only with respect to nuclear weapons, but, frankly, the export of terrorism. And it's not only in the obvious places with Hezbollah and Hamas, but in trying to destabilize many countries in the region and beyond, where they have provided support and funding for terrorist activities as far away as Argentina.

So I think there is a very, very sad confluence of events occurring inside Iran that I think eventually – but I can't put a time frame on it – the Iranian people themselves will respond to. And we want to be helpful, but we don't want to get in the way of it. So that's the balance that we try to strike.

Now, with respect to North Korea, we are continuing to send a very clear message to North Korea about what we expect and what the Six-Party process could offer if they are willing to return and discuss seriously denuclearization that is irreversible. We are in intense discussions about this with all the other Six-Party members and we're watching the leadership process and don't have any idea yet how it's going to turn out. But the most important issue for us is trying to get our Six-Party friends, led by China, to work with us to try to convince whomever in leadership in North Korea that their future would be far better served by denuclearizing. And that remains our goal.

MR. HAASS: As always, thank you so much for coming here, first of all, but also giving such a thorough and complete and serious and comprehensive talk about American foreign policy. And I know I speak for everyone that we wish you Godspeed and more in your work next week and beyond. Thank you so much.

SECRETARY CLINTON: Thanks, Richard.

(Applause.)

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