



**FOREIGN POLICY ASSOCIATION**  
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## **Remarks by William Priest**

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### **FPA Financial Services Dinner**

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I want to thank the Foreign Policy Association, in particular Noel Lateef and the Board of Directors. I also want to thank all of you tonight for the support given this institution on my behalf, and I'd be remiss if I did not express my sincere appreciation to the board of Epoch Investment Partners, Epoch Holding Company, for their support of the noble ends of the FPA.

Now this is my opportunity to venture into foreign policy so I'm going to talk a little bit about it. My talk tonight is about America's place within the rapidly changing world. To start I'd like to discuss NATO and what those letters really mean. Almost two years ago a small number of us from another organization, the Council on Foreign Relations, spent over a week with NATO at its headquarters in Brussels and also in Poland. Over dinner one night, a very senior official asked me if I knew what NATO really meant. I knew North Atlantic Treaty Organization was technically correct but I suspected he was not looking for that answer. Indeed, his answer was this: Needs America to Operate. [laughter] Now like most good jokes, this one has a substantial amount of truth in it. The world needs America to operate. What's more Americans need America to operate. And quite frankly, our country has not been keeping up its end of the bargain.

Since the turn of the century, America's historical position of strength and leadership has been called into question. We have lost more respect and witnessed more setbacks than we have in two generations. This administration may go down as one of the lesser capable ones, the preceding one was not exactly a model of accomplishment either. Taken together, the

past decade, it's failed to live up to the vision of what our Founding Fathers intended—a nation that manages both its internal and external affairs with intelligence, compassion, and strength.

Today, the only way we can allow these values to re-blossom is by finding a common ground on which all Americans can proudly stand. Without a coming together we certainly will come apart.

A reinvigoration of America's remarkable potential will require us to make a close, honest inquiry into the many problems that plague our nation, and such an inquiry has to start with Iraq. Iraq has recently taken up so much of our country's time, attention, and capital, that other important topics such as education, health care, social security, and national competitiveness within the global economy, have been shoved into the background. These issues are of vital importance and an inability to deal with them effectively could spell a disaster for our interests both at home and abroad. However, instead of giving these considerations the attention they deserve our leaders have continued to focus almost exclusively on the situation in Iraq, and, as a result, we have seen a strange and troubling thing take place.

You've heard people say that after a while people start to look like their pets. By the same token, America is starting to look like Iraq [laughter], a country comprised of warring tribes incapable of acting in common for the greater good.

Now from the beginning, this war has been an inefficient and misguided use of our resources. At its inception it was a war of choice not necessity based on what ultimately was highly questionable if not false information. Still, the U.S. had a real interest in collaborating with Iraqis to try and build a decent, progressive, democratized society in the heart of the Arab East. Despite the noble underpinning of this desire it was built upon a fundamentally unstable foundation. Just because we wish for something to happen doesn't mean it can be accomplished. The wish for a peaceable Iraq democracy led us to believe that we could actually reconstruct one. As we have seen, this has not worked and it turned out to be a dangerous justification for a war that has been a miserable failure by almost any measure.

Our inability to turn these wishes into reality has been the result of several factors, some physical and some psychological. To quote David Brooks from the New York Times, we failed to see that the core weakness of Middle Eastern nations was that, over centuries, Arab society has developed intricate social organizations based on family, tribe, and faith. Loyalty to these superceded national bonds and notions of federalism, subsidiarity, and of personal administration, the very underpinnings of the nation-state, has always had trouble flourishing in these sands.

There have been many negative consequences to this war in Iraq but foremost among them is the damage done to our relationships with other nations. Iraq

has cost us friends, strengthened resolves of our enemies, and stimulated other countries to behave in threatening ways. Russia, as an example, has become a provocative and potentially dangerous nation that has all but abandoned any shared values with the West. Putin, sometimes called "Gasputin", terrorizes his neighbors with threats of a cutoff of natural gas, and his recent speech attests only further to this point of view. And while Russia represents a significant diplomatic and economic challenge, our nation's most important international relationship was with China, which along with India has emerged as this century's most compelling growth story.

China is our major trading partner, but China, in order for it to become the country that it wants to be it needs to move 300 million people, rural dwellers, to the cities by 2020. To accomplish this end requires building one city the size of New York every four months for the next 14 years. This migration requires an enormous quantity of raw materials. To acquire these raw materials China has no problem striking deals with America's foes. China has already conducted transactions with Sudan, Iran, Venezuela, and others, a phenomenon which will certainly continue as China's growth dilemma becomes more pressing. And while the U.S. has much to gain from a continued partnership with China, we should view this emerging market with a careful eye. As the U.S. / China alliance matures we will need to confront a host of challenges including China's proven disregard for the most basic human rights. And just as China cannot hope to be an effective player in the international economy without addressing its own domestic shortcomings, the U.S. cannot begin to develop a coherent strategy with China until we solve the problems in Iraq.

That said, I am inclined to agree with Thomas Friedman when he says the Iraq war has turned into a sucking chest wound for our country, infecting its unity at home and it's standing abroad. If we turn our gaze inward it is clear that we are in as big trouble domestically as we are internationally. Our political system is broken. As a result of big money and gerrymandering, most American citizens have become unable to dictate the nature or reap the benefits of today's legislative processes. Millions of Americans have become so estranged from the political process that they have tuned out entirely. Voters who are hungry for a discussion of complex issues are instead fed a steady diet of reductive mediocrity and blind partisanship. Rather than providing the American public with a nuanced and balanced analysis we so desperately need, the media has become dominated by ideological talking heads hurling insults at each other in one or two minute television segments.

American style democracy needs to be re-energized and revitalized at home long before we can export it abroad. It is time to bring the intelligence, creativity, and energy, of the broader population into the quest for constructive change. How do we accomplish that? By starting at the top.

We need a centrist leader who will articulate common goals in order to form a set of shared values. We need a smart problem-solving patriot who will serve our collective interests. We need a charismatic but yet substantial American who believes in the goals of our foreign policy while exhibiting sensitivity and consideration to reaction and criticism. In recent memory, such traits have been absent from some of our most visible government figures.

One of the first goals of this leader will be to address the most immediate threat to our nation's safety, and frankly, the safety of the planet at large. Terrorism is the scourge of the modern world, whether it manifests itself in the Islamic world or elsewhere, it is based largely on one element, a collection of grievances and perceived injustices. Tony Blair stated, our answer, an alternative to terrorism, has to start with a set of basic human values, strong enough to unite people of different races, face, and philosophies. It's about winning hearts and minds, inspiring people, persuading them, and showing them how an adherence to shared values can change the world for the better, much like my predecessor at this podium said a few moments ago.

We must show that these values do not belong to any one nation or religion but rather to all of humanity. They are universal values that should be the right of any global citizen. Importantly, we must take a close look at how these values should affect our priorities. Justice and fairness mean just as much as security and prosperity. We in this room have security and prosperity, but if we lose justice and fairness in our society then our security and prosperity will surely go away as well.

The answer to terrorism is the universal application of global values. The answer to poverty and justice is the same thing. A superior foreign policy is one that is driven by values, not interests. Globalization reflects interdependence and interdependence requires the necessity of a common value system to make it work. Idealism and realpolitik is related. Put another way, a confluence of values and action not only represents the best of the human spirit, it's also the last hope for the world's future.

Now the picture I've painted this evening may be viewed as a bleak one but it's certainly not a hopeless one. Each of these problems has a solution—a solution that our country, with it's track record of spirit and ingenuity, should be more than able to identify and implement. However, when faced with this increasingly complex international landscape there is a danger that the U.S. will choose to disengage from the world and isolate itself from its neighbors. We could pull up the drawbridge, so to speak, and allow the oceans to serve as a moat. The world cannot tolerate this outcome. As I learned from a man far wiser than myself, the world needs America to operate, not only for Americans but for the benefit of human aspirations around the globe. None of the world's problems can be resolved or even approached without American's

engagement. Long live America and long live a peaceful united world.  
Thank you.