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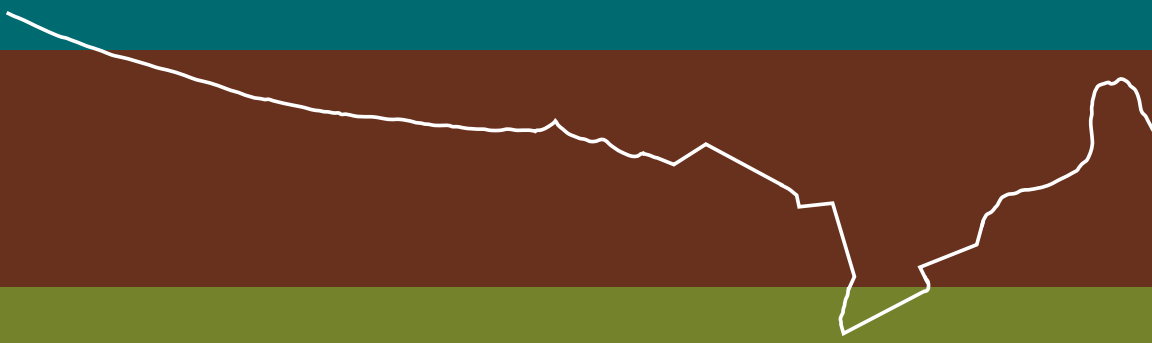
The C. Warren Goldring Annual Lecture on Canada-U.S. Relations



Lee H. Hamilton

"Global Realities: American Power in an Uncertain World"

September 12, 2005

THE C. WARREN GOLDRING ANNUAL LECTURE ON CANADA-U.S. RELATIONS

Special Guest Speaker

The Hon. Lee H. Hamilton

"Global Realities: American Power in an Uncertain World"

Design Exchange
Toronto Dominion Centre

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The Woodrow Wilson International Center for Scholars

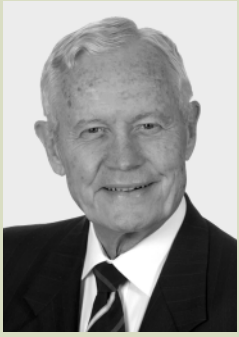
The Center is the United States' living, national memorial to President Wilson, established by Congress in 1968 and headquartered in Washington, D.C. A nonpartisan institution, supported by public and private funds, the Wilson Center is engaged in the study of national and world affairs; it maintains a lively, neutral forum for free and informed dialogue. The Center commemorates the ideals and concerns of Woodrow Wilson by providing a link between the world of ideas and the world of policy, and by fostering research, study, discussion, and collaboration among a full spectrum of individuals concerned with policy and scholarship in national and world affairs.

The Canada Institute

The Canada Institute is an integral program of the Woodrow Wilson International Center for Scholars. Founded in 2001, the Canada Institute seeks to promote policy debate and analysis of key issues of bilateral concern between Canada and the United States; highlight the importance of the U.S.-Canada relationship, both in the United States and in Canada; increase knowledge about Canada among U.S. policymakers; create new channels of communication among scholars, business leaders, public officials, and non-governmental representatives in both countries; generate discussion about future visions for North America; and share relevant programming and publications with the appropriate partners in Canada to encourage dialogue on those issues with Canadian audiences.

Canada Institute on North American Issues

The Canada Institute on North American Issues, incorporated in 2002 and affiliated with Operation Dialogue, was founded to conduct research on cross-border topics and encourage dialogue among key government, corporate and academic institutions in Canada, the United States, and Mexico. CINAI, based in Toronto, is chaired by C. Warren Goldring.



C. Warren Goldring

C. Warren Goldring has had a long and distinguished career marked by personal achievement and an overwhelming commitment to Canada. A graduate in political science and economics from the University of Toronto, he later received the prestigious Hudson Bay Scholarship to attend the London School of Economics. He was one of the founders of AGF Management Ltd. in 1957, was appointed president in 1975, and today remains as chairman of the board.

Mr. Goldring is active in many civic organizations, including Operation Dialogue, which he founded to inspire discussion among Canadians about what it means to be Canadian. Mr. Goldring is pleased to support this lecture series as part of the continuing dialogue on the important issues in Canada-U.S. relations.

Lee H. Hamilton

Lee Hamilton is president of the Woodrow Wilson International Center for Scholars, and director of the Center on Congress at Indiana University. From 1965 to 1999, he was a U.S. Representative from Indiana's Ninth District, serving as chairman of the House Committee on Foreign Affairs, the Permanent Select Committee on Intelligence, the Select Committee to Investigate Covert Arms Transactions with Iran, and the Joint Economic Committee. Since leaving the House, Mr. Hamilton has served on the United States Commission on National Security in the 21st Century (the Hart-Rudman Commission) and as vice-chairman of the National Commission on Terrorist Attacks against the United States (the 9/11 Commission). He is currently a member of the Homeland Security Advisory Council. Mr. Hamilton is the recipient of numerous honorary degrees and awards for public service. Before his election to Congress, he practiced law in Chicago and Columbus, Indiana.

THE C. WARREN GOLDRING ANNUAL LECTURE ON CANADA-U.S. RELATIONS

September 12, 2005
Design Exchange, Toronto

PROGRAM

Welcome
David N. Biette
Director, Canada Institute
Woodrow Wilson International Center for Scholars

Introduction
Krystyna Hoeg
Canada Institute Advisory Board
President and CEO, Corby Distilleries

Lecture
"Global Realities: American Power in an Uncertain World"
The Hon. Lee H. Hamilton
President and Director
Woodrow Wilson International Center for Scholars

Questions and Answers

Closing Remarks
Douglas Derry
Corporate Director, Canada Institute on North American Issues
Chair, Board of Governors, University of Guelph

Global Realities: American Power in an Uncertain World*

Good evening to all of you. I am delighted, of course, to be back again in this marvelous city of Toronto, and somewhat amazed that so many of you are here, what with the film festival going on in this community, and I thank you for going beyond the call of duty.

Krys, you certainly did a lot of homework in researching my biography.

She mentioned that I had been in the Congress for 34 years. I'll tell you a story about that. I retired from the Congress and made a very bad mistake. I bragged a little bit about my career in the Congress and said I had cast over 16,000 votes. I went back to my office and had a call from a constituent who said "Lee, I understand you announced your retirement today"; I said, "yes." He said, "I understand you cast over 16,000 votes." I said, "yes," and he said, "well, I want you to know, you finally made a decision I agree with."

And of course she gave away my secret for reelection. I was a member of the basketball hall of fame in my state of Indiana. That is a sure-fire bet for reelection. I used it 34 times and it worked.

I want to say first of all just a word about the founder of this lecture series, Warren Goldring. Many of you know him, I'm sure, better than I. I know him as a marvelous voice in the Canadian business community. Through his founding of Operation Dialogue, through his interest in the Canada Institute of the Woodrow Wilson Center, he has been at the forefront of that dialogue. Beyond these rather formal contacts, I just want to say that he is a very warm, generous, and gracious person—truly, I think, in the Wilsonian mold—a business leader who fosters dialogue on the key issues of the day. I am delighted that Blake Goldring is here this evening, and I hope, Blake, that you will convey to your mother and father my very best wishes.

> Despite American misgivings about working with the world, we need the cooperation of friends and allies to tackle urgent challenges . . . American power may be dominant, but we cannot succeed alone.

I also want to express simply as an American citizen how impressed I have been with the response of the Canadian people and the Canadian government for the great tragedy that we suffered in the United States with

* as delivered.

hurricane Katrina. I am impressed, as I have been on other occasions, with the humanity and the generosity of Canada and its citizens, of your spirit, and your remarkable aid and logistical support. Your good wishes have been extraordinary. It has brought a real voice and note of comfort to the American people at a time—which you can appreciate—that has been a very great stress for us. Your activity has reaffirmed that the United States and Canada are more than neighbors: we are friends and we are family. And as one American citizen, I thank you all.

We had a speaker of the House of Representatives a few years ago by the name of John McCormack. He was a great debater and every now and then he would step off the rostrum and come into the well to debate, and somebody on the other side of the aisle would invariably irritate him and he would turn to that gentleman and say, "I hold the gentlemen from Iowa in minimum high regard." I want you to know that I hold you as Canadians in maximum high regard, and I am delighted to be here in your city and in your country.

I want to thank David Biette for his great leadership of the Canada Institute of the Woodrow Wilson Center, and say how pleased I am that so many Canadians have chosen to support it as an instrument of dialogue between our two countries.

American Power

I begin tonight to speak about how U.S. power should be used in the world. I want to begin with four central realities. Sometimes when you look at the headlines of the day—a presidential visit or a tragedy in Iraq or some other event—you kind of get overwhelmed and you do not step back and take a look to ask yourself the question, "what is really going on in this world today?"

Let me identify for you four central realities. You may agree with them, you may want to add something or subtract something, but it is important to try to get a perspective. I think that one of them—you would expect me to say this, I guess—is the preeminence of American power. The United States is the world's largest military, economic, technological, and cultural power. While our ability to accomplish things globally is unparalleled, it is also limited.

Today, we find ourselves overstretched:

- We are fighting three wars. Two you know about: Iraq and Afghanistan. The third you may not know as much about, but we have forces chasing

down terrorist activists in more countries than you would think possible. Three wars.

- Our budget and our trade deficits are soaring.

- And global resentment of the United States is disturbingly high, even as the United States has throughout the world a reservoir of goodwill.

And despite misgivings about American power, the world still looks to the United States for practically everything: you have all of these high, distinguished visitors coming into Washington daily—kings, prime ministers, and foreign ministers. They all come, really, with a single request, and that request is "help us out." Sometimes they want money; sometimes they want military action; sometimes they want economic aid; sometimes they want trade; sometimes they want a photo-op with the president. But they want help. And despite American misgivings about working with the world, we need the cooperation of friends and allies to tackle urgent challenges. So the point on this first reality is that American power may be dominant, but we cannot succeed alone.

Great Powers

The second central reality is the shifting alignment of the great powers. The world order is more fluid today than it has been for decades—maybe for centuries. Those of us who are a little older in this room know that our lives were shaped by the Cold War, the clash between the United States and the Soviet Union. In the years since the end of the Cold War, we have seen a rapid evolution of international power:

- ***China and India are on the rise***. Both have rapidly growing economies, advanced technology sectors, nuclear weapons, and remarkable political and military potential.

- ***The European Union is enlarged***. Its economy is larger and its population is larger than the United States. And European countries are pursuing an independent foreign policy that from time to time makes those of us in the United States a little uneasy.

- ***Russia's future is uncertain***. It lurches between democracy and authoritarianism, engagement and estrangement, growth and stagnation.

- ***New powers are emerging***. Powers like Canada, Brazil, and Indonesia are poised to play a larger role in global affairs.

These changes are transforming the international landscape, with a shift, I think, toward Asia, and toward more centers of global power.

Globalization

The third reality is familiar to you, of course: we call it "globalization." Globalization is a mega-trend on the world scene, a growing interconnectedness among people, technology, telecommunications, transportation, capital flows, education, goods, and services. It has changed our lives in innumerable ways.

And most of us in this room would think that the benefits of globalization are positive, but we would have to acknowledge that globalization is not global. There are winners and losers. For all of the wealth, efficiency, and understanding generated, there has been persistent poverty, inequality, and anger. No doubt globalization brings with it marvelous opportunities and possibilities, but it also comes with hazards.

Swelling Turmoil

That leads to the fourth central reality: swelling turmoil in the world. Each of the realities I have discussed—American preeminence, the shift in the global power structure, and globalization—each of these are confronted by and in some cases contribute to this turmoil.

Most of us would agree that great power conflicts are much less likely now. But there is a greater likelihood of other types of insecurity. We worry about nuclear terrorism instead of nuclear war. Conflicts are fought within states instead of between them. Health, environmental, and population concerns pose very grave crises.

Risks

Some of this insecurity has immediate risks; some of it lies over the horizon:

- If you ask any national security expert in the United States, they say terrorism is the number one threat to the national security of the country.

- Proliferation of nuclear, chemical, and biological weapons poses horrible risks.

- Political Islam challenges governments from Morocco to Indonesia. And how we relate ourselves to the 1.3 billion Muslims in the world is going to be a major challenge for your policy in Canada and ours in the United States for generations to come.

- Increasing energy demands and decreasing resources could cause a breakdown in the world economy anyday.

- Epidemic diseases like HIV/AIDS move around the globe devastating populations.

- Poverty, hunger, and inequality offend our common humanity.

Tragedies

And then there are overlooked tragedies around the world:

- The Sudan, where hundreds of thousands have died, millions have fled their homes, and the people of Darfur largely fend for themselves in an inhospitable land.

- North Korea, where the government seeks nuclear weapons while millions starve.

- Liberia, a country where there is 85% unemployment.

- Haiti, the poorest country in the hemisphere, where aid is pledged but is very slow in getting there.

- Kosovo, where lasting peace and stability are still elusive.

- And the Congo, where nearly four million people have perished in a regional war that has hardly created a blip on the world scene. Four million people!

If I go back to my home state of Indiana and I talk about these things, I can tell you what the reaction would be. The reaction would be: "So what? So much devastation is inevitable and not really of much consequence; no skin off my back." But ten years ago Afghanistan was on a similar list, was it not? Nobody foresaw that the troubling events in that long-suffering country—as remote from New York or Washington as any spot on the globe—could lead to the deaths of thousands of Americans and turn the international scene upside down.

This swelling turmoil is a burden to all of us in the international community, of course; and to national governments like those of Canada and the United States, where we try to figure out how we can help.

How Should the United States Respond?

Four central realities; swelling turmoil; what do you do with all this power in the United States?

Integration

The key for me is the word "integration." Harry Truman was once asked, "who makes American foreign policy?" And his answer was, "I do." He may have been right then, I really don't know. But he would not be right today. Presidents share power, of course, with Congress. But something else has happened. There is a large number of powerful, non-sovereign actors now: corporations, NGOs, international institutions, and regional organizations—*and* terrorist groups, drug cartels, and arms dealers.

> The United States cannot succeed without the world. But the world cannot succeed without the United States.

An American president, as powerful as he may be, has to deal with these accelerating flows of people, ideas, goods, dollars, viruses, weapons, and drugs across borders. Keeping one step ahead of that—or simply keeping pace—is a monumental task for any president.

But to deal with it you have to integrate the tools of American power. It depends on using all those tools—military, diplomatic, economic, financial, and homeland security.

You see, military power is one tool, isn't it? Necessary for American power to be used, I think; most people in the United States—I don't know about Canada—but most people here probably would support the use of American force in Afghanistan. It is not likely you are going to persuade

Osama Bin Laden and convert him to democracy or market economics. You have to remove him.

But military power alone cannot protect Americans. No army, no matter how strong, can stop a person from getting on a subway with a backpack full of explosives. No army, no matter how strong, can stop a person from spraying a biological agent into the produce section of a supermarket. No army, no matter how strong, can bring stability and political progress to a divided and traumatized nation like Iraq.

And, as we see in North Korea and Iran, military threats may not dissuade states from obtaining nuclear weapons—indeed, those threats may compel those states to obtain a nuclear deterrent.

So military power, in short, is not enough. You have to have integrated approaches for the struggle against terrorism, for the struggle against proliferation, for the future of Iraq. The really difficult part of conducting counterterrorism policy in the United States is to integrate all the tools of American power—military, financial, public diplomacy, intelligence, economic, trade, aid, and all of the other tools. That's what's hard about counterterrorism policy.

And you have to integrate American power and American foreign policy with homeland security, too, don't you?

- The cop in New York City needs intelligence about plots hatched in Pakistan;

- the Coast Guard captain needs technology to detect nuclear materials in a cargo container;

- the border guard needs access to terrorist watch lists by intelligence agencies, not just in the United States but across the world;

- and the emergency responder needs a radio that can communicate effectively in a crisis.

So you have to integrate all these tools of American power, including our economic and fiscal power. We also, I hope, have to integrate our values. We should stand for the advancement of democratic institutions and ideals abroad. We should stand for justice, economic opportunity, and we should stand for the humane treatment of individuals.

We like to talk about spreading democracy in the world, and who is against that? But we have to keep in mind that the pledge of allegiance of the United States ends with "liberty *and* justice for all." So we have to vigorously defend ourselves with all these tools of power.

Collective Security

And I think integration also applies to the idea of collective security. Think of the world you live in now:

- an epidemic disease begins in Asia and arrives here, in Toronto, within days.

- I step outside of my hotel in Louisville, Kentucky one day and pick up the newspaper, and see a little note way back on the business pages; there was some trouble with the Thai currency and I say to myself, "no big deal." A few days later I saw the Indonesian stock market was having problems, and then a few days after that the Japanese stock market was having trouble, and then yet a few days later the New York Stock exchange was having trouble. A Thai currency problem spread.

- Events in a distant country like Afghanistan led to the death of thousands of Americans.

In 1945, the world stood on the precipice of another uncertain age. Weapons of unimaginable destruction were loosened on mankind. A protracted ideological struggle was developing. The United States and Canada—and our friends and allies—turned to the concept of collective security. From the American point of view, the concept was that the United States is stronger, that the world more secure, when American power is integrated with other countries, coalitions, and institutions on behalf of common goals.

So we launched a Marshall Plan; we created NATO; we formed the United Nations; we launched the World Bank and International Monetary Fund; and we had countless other bilateral and multilateral agreements. And we said that the surest way to overcome 21st century disruptions is for the United States to show leadership in a global system of collective security.

We have to reform these institutions. I picked up the paper this morning and read about this big debate in New York about the future of the United Nations. I don't know how that plays out. But we have to make

NATO provide security beyond Europe's borders; we have to improve the UN so it is better able to prevent conflict, keep peace, and facilitate action against global challenges; and we have to go to the international financial institutions and trade agreements to create more winners and fewer losers. We should forge new partnerships and coalitions to meet new challenges, just as we did after World War II.

A few years ago, I was in the office of the National Security Advisor of the president. On his desk was a large stack of files.

I said, "What are those?" There must have been thirty or forty of them. He said to me, "All of those files deserve immediate attention." Then I noticed another stack of files about twice the size, and I said, "What are those files?"

"Those," he said, "are extremely urgent."

Every problem comes to the White House. You read about a lot of them; a lot of them you don't know anything about at all. They all come there.

That stack will only grow, though, if we fail to consider some of the long-term challenges that confront us. And I am of the belief that ignoring problems in this world does not make them go away.

- If we do not seek peaceful solutions to intractable conflicts—in the Middle East, the Korean peninsula, and South Asia—then we will face far more bloodshed.

- If we do not safeguard dangerous technologies today, we will face further proliferation of the world's most dangerous weapons.

- If we do not anticipate a more powerful China today, we will be less able to coexist with a powerful China tomorrow.

- If we do not seek alternative sources of energy today, we will have to seek them when nations are competing—perhaps violently—over scarce oil and gas reserves.

- If we do not address climate change today, we will have to when it has altered our planet, perhaps irrevocably.

- If we do not fight poverty today, we will have to confront famines, civil conflicts, and the wars it provokes—and just as we should be on the side

of those who fight tyranny, we should be on the side of those who live in poverty.

- If we do not contain HIV/AIDS in Africa today, parts of that continent will become, surely, chaotic havens for terrorists, warlords, and criminality.

- If we do not combat pollution and global environmental crises today, we will have to deal with an eroded food supply and damaged oceans tomorrow.

- If we do not plan for growing populations, we will have to when people are fighting over water in the Middle East.

- If we do not acknowledge the sources of hopelessness and resentment in the Islamic world today, we will not roll back the terrorist threat.

- If we, in the United States, do not address our huge budget deficits—about to get much bigger—and our trade deficits, the United States and the world are in for some economic shocks tomorrow.

- If the United States wants the rest of the world to support our agenda of fighting terrorism now, we must begin to be a part of their agenda, too—supporting economic development around the globe.

- And if we, in the United States, do not understand that America is losing its allure as a model society in much of the world today—and that many people in the world today are turning off America—then we will not be able to counter the decline.

You and I know that it is hard to deal with these things, it is hard to come together, and hard to look ahead. But think of the alternatives. Do we want a world in which the United States stands alone to combat threat after threat? Do we want a world in which other nations form blocs to balance American power?

I am concerned that Americans and Canadians are less willing to meet with one another. Given how much unites us, we can surely overcome what divides us.

American power does not entitle the United States to exceptional treatment, but American power should not necessitate opposition to American

goals. We must not be ignorant of how profoundly our choices affect others, nor should others be ignorant of the positive force that American leadership can bring in the world.

The United States cannot succeed without the world. But the world cannot succeed without the United States. And a world of collaborative networks among sovereign states—or collective security—is still the only system that makes any sense.

U.S-Canadian Relations

Let me say a word about the United States and Canada. The two characteristics that I have stressed—collective security and integration—are at the very heart of the U.S.-Canadian relationship. I suspect, as you've heard often before, that it's the most successful bilateral relationship of any two neighboring states in the world:

- a legacy of peaceful collaboration instead of war;
- a legacy of common defense, embedded in NATO and NORAD, in which we strengthen one another;
- a trade relationship of more than $1 billion per day that is the most active in the world;
- and a cultural integration so complete that our athletes, entertainers, and artists are known and even beloved across our border.

Let me express a simple concern: I am concerned that Americans and Canadians are less willing to meet with one another. The people-to-people contacts are declining. Fewer Americans are headed north and fewer Canadians are headed south. Now there are all of kinds of factors for that—too many to enumerate. But whatever the reason, the trend is disturbing; it could become alarming.

Given how much unites us, we can surely overcome what divides us. We must work to assure that both sides feel welcome in the other country. We must encourage the work, the flow, and the exchange of free peoples across the border.

On military policy, the United States can respect Canada's independent decision to not send forces to Iraq, or opt out of a missile defense shield.

But we can work together to secure Afghanistan, strengthen NATO, and build a NORAD that protects North America's skies against the threats of the 21st century.

On border security, we don't have to choose between security and efficiency. We can ensure the free flow of goods and people across the border, while developing technologies and techniques to identify dangerous people and materials.

On trade, we can surely disagree from time to time on issues like softwood lumber without overhauling our entire trade relationship. Trade irritants are inevitable in a trade relationship that approaches $400 billion a year in goods and services.

For my part, I support:

- expanded law enforcement and military cooperation;
- more intelligence sharing;
- a mutual commitment to a cleaner environment and more conservation;
- the creation of a North American common economic space, reducing even further the barriers to the flow of goods, services, labor, and people;
- more exchanges of tourists, students, scholars, athletes, activists, and entertainers;
- and strengthened government-to-government relations—including, perhaps, an annual summit meeting—and strengthened links between government at all levels, including the two parliaments.

Collective security does not mean we will have collective agreement on every issue. It means we will seek consensus solutions to common problems; that our goal is coordination and not confrontation; and that we will refuse to allow our differences to derail our progress toward a better world for our people.

Conclusion

Let me conclude by saying that in building 21st century collective security, we do a lot more than manage crises. We build a safer world. We spread

prosperity. We cure disease. We conquer new frontiers of science. We preserve our natural world. We improve the lives of our people. We spread hope. We unify people around common ideals.

To succeed, we need to acknowledge the central realities of the world as they really are. We need to skillfully face all of these enormous challenges that I have identified and some that I have not; and, of course, we need to anticipate and address the challenges on the horizon. Above all, we have to focus, I think, on our common interests—not on the occasional dispute.

Collective security does not mean we will have collective agreement on every issue. It means we will seek consensus solutions to common problems.

And as President Kennedy reminded us many years ago, we must be willing to engage in "a struggle against the common enemies of man: tyranny, poverty, disease, and war itself." Now, as when he spoke, we cannot conquer one without combating all; we cannot succeed without extending a hand to the world. But together, we can leave North America—and the world—better than we found it.

Thank you very much.

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