## U.S. Global Leadership: Impact on Virginia

January 27, 2014 | Richmond, VA

John:

Well, good morning. I'm John Hager, former lieutenant governor of the commonwealth and it's a real pleasure to be here with you today. I'm proud to serve as a member of the Virginia Advisory Committee of the USGLC. On behalf of all the members of the committee, several of whom are here today, and our co-chairman, Senator Chuck Robb, and Senator John Warner, we really are excited about your being here. We welcome you and thank you for attending this luncheon here today. This afternoon, we look forward to a vigorous discussion about America's role in the world. The USGLC has assembled a distinguished group of leaders here in Virginia, both Democrat and Republican, who believe that America must be a global leader, not only because it's the right thing to do, but it's also the smart thing to do.

I'm sure you, like me, agree that what happens throughout the world impacts our security and our economic prosperity right here in Virginia. Well, I understand that for the U.S. to be a world leader, we need to have a range of international tools at our fingertips: diplomacy, global development, trade and aid. All these help to advance our interest around this world. I'm pleased to stand with the USGLC and its efforts to advance strong and effective international programs in order to build a better and a safer and a more prosperous world. I know that our special guests today, General James Mattis, Robert Zoellick, and Virginia's own Senator Tim Kaine, join me in this pursuit. Senator Kaine, where is he? There he is. We particularly thank you for being here today with these leaders and for your dedication to these issues, and we look forward to your participation in this fascinating discussion.

So now to introduce you to someone who knows a whole lot more about USGLC, the founding executive director from Washington, please welcome Liz Schrayer of the U.S. Global Leadership Coalition. Thank you, Liz.

Liz: Thank you, Thank you, Governor Hager. You've been a remarkable friend.

John: Thank you.

Liz: Without your leadership, we would not be here today, so thank you. Welcome to everybody. It's a little cold out but something about Richmond, Virginia makes it

very warm and very welcoming. I am thrilled to be here. Our featured guests today, Senator Kaine, Bob Zoellick and General Mattis, we are all thrilled that you are here. We are looking forward to hearing from each of you and sharing your wisdom to this conversation today. We would not be here without our partners that are making today possible. I want to thank the Virginia

Manufacturers Association, Reserve Officers Association, Robins School of

Richmond 1 Page 1 of 28

Business at the University of Richmond, the Richmond World Affairs Council and my dear friend, Anne Goddard, who is the president and CEO of ChildFund International, a fabulous organization who is celebrating their 75th anniversary this year. So thank you to all of you.

We have along with Senator Kaine and his staff. We have representatives from Majority Leader Cantor's office and Congressman Rigell's office, and we welcome you. I'm thrilled that several many, many of our Virginia Advisory Council members are here with us today. In the pamphlet on your table is a list of almost a hundred members state-wide of our advisory council that have joined us in our pursuit that I'll speak about in a minute. As Governor Hager said, I would be remiss to not give a shout-out to our honorary co-chairs, two of Virginia's great statesmen, former Senators Chuck Robb and John Warner, who, although they couldn't be here today, have lent their name and their credibility and their support to our cause. I'm very grateful to them.

Now some of you know us and some of you are new to us. Washington, unfortunately, is a place that often divides. We are very proud that we are a place that unites. The Washington Post called us a few years ago the Strange Bedfellow Coalition, and we got the name because as you can see from some of these logos up on the screen, we actually bring together a very unusual group, everything from 400 NGOs and businesses from Care to Caterpillar, from Boeing to Bread for the World, very unique organizations and a diverse voice. We have a bipartisan advisory council. It's kind of the who's who of foreign policy led by General Colin Powell. It includes every living former secretary of state from Henry Kissinger to Hillary Clinton. It includes Mr. Robert Zoellick. We also have an unusual group for a group that advocates for non-military tools, which is a group of 150 former retired three- and four-star generals and admirals, including General Mattis, many and others that are here today. Pete Osmond, I know, is here somewhere. There he is, General Osmond, as well as 30,000 individuals who call themselves Veterans for Smart Power, many of them are also here today.

What brings us together is a belief in the importance of America's global leadership. There's a lot of ways that we show America's leadership. The one that we advocate for among them is a small but a smart investment in what we call the International Affairs Budget. It's about 1% of the federal budget. Some people call it the Foreign Aid Budget, but it's a very important part of the budget that keeps us safe, advances our economic interest and really speaks to our values in terms of our moral values. The best way I can explain it is to think about how so many of us are focused on what's going to happen next week in the world in Sochi, Russia as we all turn to the Olympics. It brings back a lot of my own studies when I studied Cold War politics and we used to argue in my classes about whether we should use more hard power or whether we should

Richmond 1 Page 2 of 28

use more soft power. It is so outdated and I think we can think about that as we watch the headline news this week.

What we've really embraced is this idea of smart power, the idea to use a whole range of tools of global development, diplomacy alongside defense. Our coalition has really worked to give voice to the development and diplomacy side of that equation. Now I know that you and Virginia understand this well. Virginia, you understand we live in a very interconnected, interdependent world. You understand that infectious diseases to terrorism does not have any borders anymore. I noticed when I was looking at Virginia that you understand this because you exported over two million tons of goods just last year. Now when I think about an example of really what's happening around this country, we started the campaign last year called Innovations in Smart Power. The idea was to find companies and non-profits around the country that are innovating to find global solutions ... To find innovative solutions to global problems around the world.

There's one right here, but let me just choose an example of what's happening in Virginia. Where is Chip? Chip Ransler, who, if I have the story correct, you are exactly one of these innovators. There's a problem. A third of the population of India doesn't have access to electricity. Chip, when you were a graduate student at UVA, you were aware of this problem. You knew that there wasn't a lot of electricity but there was a lot of rice in India and realized that you could partner with some engineers in India and figure it out that rice, with the husk that often are discarded, if you figure it out the engineering, could figure out to create clean electricity and with that engineering, was able to bring electricity to some villages in India and bring electricity to them. Well, with that project brought electricity to a few villages. But there's a lot of people in India. But fortunately, Chip met Judith Pryor from OPIC, one of the senior execs from OPIC, which is an U.S. agency, part of this little 1%.

They got a loan, a very small loan actually, from OPIC. But it's a loan that comes back to U.S. taxpayer dollar. Today, India, because of Chip, 200,000 citizens have electricity. That's smart business. Innovations like that are happening all over this country. What we're doing is trying to show a spotlight on those innovations that are making real differences for people around the world. Many of those innovations are actually bringing jobs back home here in the United States. So what we want to do today is to have this very conversation about how we can do well and do good at the same time, about how we can make the world a better place and bring jobs back home and make it more secure for us. So the whole conversation we want to have with you today is how and what is the role of America in the world and does it matter to us here in Virginia.

Richmond 1 Page 3 of 28

We believe that the stakes are much too high for America to withdraw from the world. We think it's the right thing to do. I hope you hear from Senator Kaine about his missionary work in Honduras and why we need to care about people all around the world. I think we're going to hear why it's the smart thing to do from Bob Zoellick, who will tell you about the economic implications, or from General Mattis about the security implications. So I thank you. I thank you for being part of the conversation today. But I think more important, I thank you for being part of our journey for tomorrow. Our mission really says it all behind me. Our mission in this organization, which we hope you'll be part of, is to build a better, a safer, and I'll add, a more prosperous world. For that, I encourage you to be part of our work today and going forward. Just before we start lunch, I want to invite Rabbi Dovid Asher to join us and to say a few words, and then we'll begin the lunch. Rabbi Asher, thank you.

Dovid:

May the Almighty God on high bless us from His sanctified abode and provide us with the wisdom necessary to navigate through murky waters. May He who grants salvation to all peoples give us the strength to persevere and lead these noble efforts of fostering goodwill and diplomacy through charitable enterprises that are characterized by a rightful dignity. May He who has given life to the song of nature allow us to work in symphony and in unity to bring about a better tomorrow, where those affecting and affected succeed together in bringing about the change we need for that all-important elusive peace that we all yearn for. Oh God in heaven, grant us the fortitude we desire so that we can serve you and your creations, so that we all might be able to achieve with the potential you've instilled within us. Please grant us the patience and humility to guide our initiatives in a way that does honor to the name of God. Oh, God in heaven, humanity needs your mercy. So let us look to you to provide us with the solutions to our most perplexing queries. May the doubts, the [inaudible 00:12:52] and the reservations be driven from our minds so that we can better service our community. May pettiness and idleness fall night into our routine.

Please God Almighty, look after our promising future that we so desperately work for. Let our devotion to this coalition's vision remain pure and untainted and ultimately, we pray for a collective resolve in order to bring up another loving generation that seeks out your values and your principles and internalizes the truth that is You. To quote Jeremiah [Hanaving 00:13:30], [Foreign Language 00:13:31]. Seek the peace of the city in exile and pray for it unto God. For through its peace shall you have peace, and let us say, amen. Everybody is welcome to begin their lunch. The program will resume shortly.

Brett:

Good afternoon, ladies and gentlemen. I'm Brett Vassey. I'm the president and CEO of the Virginia Manufacturers Association and I am pleased to service one of the partners for this afternoon's event. Before we move through the remarks here and get on with our program, I also want to take just a moment and thank

Richmond 1 Page 4 of 28

Liz and [Carl 00:14:19] and the USGLC and staff for making such a terrific event. They don't get recognized often enough and they do great work behind the scene, so thank you very much. While we're saluting, we want to make sure at USGLC that we don't forget the men and women that have sacrificed for us so that we have these freedoms we're talking about with diplomacy and development. If you're a veteran in the room, would you please rise? We'd like to recognize you.

So this afternoon, I'm standing alongside my colleagues from the Virginia Advisory Committee and Goddard, with the ChildFund International organization. You're probably asking yourself what does a manufacturing and a children's charity organization have in common. The reality is we both realize that America's global leadership benefits us both. When you take a look at Virginia manufacturing, in particular, we focus on the competitiveness of manufacturing domestically and how that affects the world abroad. We also realize that it is impossible for us us to be able to be competitive in a global market without the development and diplomacy programs that we're talking about. If you take a look specifically right here in Virginia, we export over \$18.1 billion in goods and services to foreign markets per year. In particular, in manufacturing, 84% of the commonwealth's total exports are manufactured goods. That's a remarkable development that has just continued to grow over the years.

In addition, 21% of Virginia's jobs are supported by international trade. Agricultural exports contribute over \$907 million annually to our economy. Then of course, that's why in Virginia, organizations like ours come together and support and champion the international affairs programs. But don't take it from me, take it from some insightful experts, which you'll hear from now.

Video: With our economy, the way it is today-

Some people are asking why we're spending so much money overseas.

And not on creating jobs right here at home.

Well, actually, we're not spending much money.

Just 1% of our national budget goes to the International Affairs Budget.

That's not a lot.

Helping create American jobs is just what that money is doing.

Richmond 1 Page 5 of 28

If you want to create jobs, you have to create more demand from products and services. You need more customers. Where are American companies finding more customers? Not here. But here. And here. And here. 95% of the world's customers live outside the U.S. 95%. When we sell goods to them, they're called exports. U.S. exports accounted for a big part of our economic growth last year. Half went to developing countries. And their economies are growing three times faster than developed countries. Every 10% increase in exports, it brings a 7% increase in jobs here. So how do we increase exports? Build new markets for American goods and services. Remember that 1%? America's International Affairs Budgets helps fund programs that improve health and education. Supports agriculture development. Builds stable economy. And creates new markets. So if we don't go to the biggest, fastest growing group of consumers-

Richmond 1 Page 6 of 28

Other countries will.

Other countries already are.

Investing a small amount in global development and diplomacy-

Is not only the right thing to do.

It's also the smart thing to do.

To make our economy stronger.

To create more jobs.

For my mom.

For my dad.

For my neighbor.

For me.

Anne:

Now, of course, I have to say that children are the experts. That was a great video. My name is Anne Lynam Goddard. I'm president and CEO of ChildFund International and a member of the U.S. Board of Directors of the U.S. Global Leadership Coalition. Liz, how could I mix that up? ChildFund is a partner in today's event and a proud member of the USGLC. At ChildFund, we work to help deprived, excluded and vulnerable children living in poverty have the capacity to become young adults, parents and leaders who bring lasting and positive change to their communities. Just this year, as Liz has mentioned, we're celebrating 75 years. I'm proud to say we were born in Richmond 75 years ago to help children in China. My, how the world has changed, and this has been our home for the last 75 years, whether it's fighting hunger, malaria or HIV and AIDS, empowering women and girls, advocating for justice or rebuilding communities after disaster, like in the Philippines now.

We are eye witnesses to the life-changing impact of that small, but mighty 1% of federal spending that we know as America's International Affairs Budget. Today's program promises to deliver a timely and thoughtful discussion with leaders who understand the core values of America's global leadership. I am honored to introduce General James Mattis, a man who requires little introduction, but whose list of accomplishments is far too impressive to go unrecognized. General James Mattis is an experienced leader who dedicated over four decades to serving his country in uniform. He is also a member of USGLC's National Security Advisory Council, which now number, as Liz has mentioned, 150 retired three-

Richmond 1 Page 7 of 28

and four-star generals and flag officers. Also joining us is Robert Zoellick, former president of the World Bank and friend of the USGLC.

During his tenure, he prioritized investments in global health, education, food security and empowering women and girls, recognizing that they create important sources for economic growth. Prior to his service at the World Bank, he served a numerous high-level posts during the administration of President George W. Bush, including as U.S. Trade representative. Finally, Senator Tim Kaine, another man who needs very little introduction, particularly here in Richmond. Today's conversation about America's global leadership and its impact on Virginia is one that could not take place without the senator. As a member of the Senate Foreign Relations Committee and given his career-long dedication to the state of Virginia, Senator Kaine has a unique perspective on the role that smart power plays for our national security and economic development.

We are so honored to have all of these distinguished experts with us and we look forward to hearing their insights. Moderating our discussion today is Emmy Award-winning Christian Broadcasting Network political correspondent, David Brody. Please join me in welcoming our panel.

David:

Well, welcome, everybody. It is great to be here. This is like just ... I'm going to call you the big three, like the Miami Heat. I don't know where LeBron James is exactly. LeBron James, Dwyane Wade and Chris Bosh, to use an NBA analogy, we have the big three right here. So once again, a big round of applause, please, for this distinguished panel. We are going to have about a fifty, 5-0, 50-minute discussion, 35 minutes up here, another 15 minutes of your questions. If you are following us on the Internet, on Twitter, this is being streamed live, you can go to #smartpower and you can submit questions. You can also submit questions right there at your table. There are some note cards there for you and then there will be some folks from USGLC coming around to collect those and we'll ask the panelists. All right. Well, let's start with you, general. Let me ask you a question real quick.

You had said something ... It was interesting, and I don't want to read you the line that you said. I feel like this is a Mike Wallace in 60 Minutes. No, it's not Mike Wallace in 60 Minutes. But you have been in some difficult spots around the world, obviously, Iraq, Afghanistan, we can go and on. You said this one time. When you were at a senate hearing, you said, "If you don't fund the state department fully, then I need to buy more ammunition." I'm wondering what you mean by that exactly and maybe how that shed some light on international development.

Richmond 1 Page 8 of 28

James:

Yeah. David, my point that we're engaged in an international competition of ideas, competition of values. We're going to have to engage in traditional diplomacy. We're going to have to engage in some sort of communications that compellingly, that persuasively conveys our values. Now there got to be enlightenment. They got voice in our declaration or constitution or federal as papers. But right now, there's a competition going on. There are people we fought, maniacs who fought by attacking us on 9/11. They could scare us, scare us into silence, scare us into retreating from the world. Well, we've proven we don't scare. But the bottom line is that's not good enough, just to prove we don't scare. Now we have to engage and that means traditional diplomacy. That means education programs that brings students to our land. That means the counterpart to Radio Free Europe, the Voice of America, going into places where hatred is being espoused. We've got to engage. That was my point that day.

David:

The fallout, if that does not happen, if there's not full engagement financially from the state department to funding, what happens then at that point?

James:

Well, the challenge we face right now, ladies and gentlemen, is there's only two elements of our government that are truly, in the executive branch, truly composed for competition. One is the CIA and the other is the military. We need foreign policy, foreign aid, the state department, everyone organized for competition in this free competition of ideas. I'm convinced that ours have stood the test of time over hundreds of years. I'm convinced there are millions of people, hundreds of millions who will respond to those ideas. But absent that response in a positive way, a vacuum at least in the area I was working with the Middle East, are not generally filled by good people. We've got to stay engaged. If we create a vacuum in this area, then we should not be surprised with what comes out. It's just that time of history when there's some pretty recalcitrant people out there in terms of power over people. We don't look at it that way but we're going to have to engage.

David:

Very interesting. Senator Kaine, let me ask you. There were a lot of committees that you could have been on in Washington, D.C. but the Senate Foreign Relations Committee was a very important one for you because international development, I know, was very important to you. Explain exactly why international development and being on that committee are so integral onto your world view and what you can do on that committee to effect change.

Tim:

Yeah. David, thanks for the question. I feel really blessed in the senate to be on three committees: budget, armed services and foreign relations. They are just ... They tax me to my last nerve ending but I really wanted to be on foreign relations because I felt like it would round the experience of being on armed services. Armed services is so critical to Virginia as we all know. But American power really ... I view the sort of current age of American power as having

Richmond 1 Page 9 of 28

started with Teddy Roosevelt. We were somewhat blessed by having oceans on both sides and we could be a little bit isolationists in the first hundred-plus years of our country. But Teddy Roosevelt, when he was president, not only sailed the Great White Fleet around the world that he had helped developed a sector in the navy, but he brokered the end of the Russo-Japanese War and won a Noble Peace Prize in 1905 for doing that. That began sort of a new era of what it was to be a powerful country, economic power. By that point, we were the largest economy in the world, military power.

But there also has to be diplomatic power and power of the economy. We do our best work in the world when we balance those force spheres of power. If we lean too hard on one and let the others atrophy, then we're not the nation that we should be. So I really wanted to be on foreign relations to try to balance my work on armed services. The last thing I'll say is this, for Virginia, the mission of the Global Leadership Council is great for everybody, great for every American. Virginia has more connection and more to gain in this global world and global economy than anyone. Most governors would love to have an international airport with 400 non-stop flights a week to foreign cities. Most don't, but Virginia does. Most governors would love to have the second most active port on the East Coast of the United States. Most governors don't, but Virginia does.

Remember, the Virginia company that came to Jamestown Island in 1607, they were venture capitalists, right? There were not ... It was not primarily a mapmaking expedition or even about religious freedom. That was an expedition that was fundamentally about global economic opportunity. So from our origins to our current, and especially, to our future, the role of global development, trade, aid, diplomacy, moral example, these things fit together in an integrated way in Virginia as much as they do in any other state.

David:

Very interesting. Chairman Zoellick, let me ask you about the relationship between economics and security. You have once ... We always have these quotes here for you. One is called the new foreign policy. You called the new foreign policy International Economic Strategy. You called it the new foreign policy. What do you mean exactly by that?

Robert:

Well, first, let me just take an opportunity to thank Liz and her team, which really do a tremendous job and for all of you Virginians coming to take time. It's pretty heartening for those of us involved in international affairs on a cold day to do this. I just have to say a word about Senator Kaine because he was a little too humble on this part. I served on the Rolls-Royce International Advisory Board and that board is coming to meet in Virginia this June. When Senator Kaine was Governor Kaine, he is the one that brought Rolls-Royce to Virginia. If you go look at their operation, you'll see what it means in terms of economics and power

Richmond 1 Page 10 of

and influence because you see all the logistics and supply and networks and jobs that's created to it. So to come back to your question, it's ... In some ways, I think it's pretty fundamental that the economic drivers of national power, whether it's resources, assets, people, technology, innovation.

Then as a matter of economic policy, those were America's interests, whether it's trade, investment, jobs and frankly, influence around the world. Most people, the U.S. Military is an incredible representation of what American power stands for but I just came back from Singapore over the weekend and I'll tell you, our economic influence is what matters to a lot of people in East Asia. The other piece, which is all over your video, is the values. The nice thing about the belief in our American economic system is that markets are also about economic. Liberty, they are about a private sector. They are about freedom. It's all connected to civil society and others. So that's all what's wrapped into it. Just to give you two little examples. General Petraeus and I who was the general [inaudible 00:31:06] runner at CENTCOM or co-chair a task force looking at North American integration, as we believe that there can be a lot built with our continental base.

Just think about this. People talk about 1.3 billion Chinese. But if you have 500 million people in North America, three democracies, what now may be self-sufficient energy even with exports, integrated infrastructure, complimentary manufacturing and services industries, if we invest in human capital and we're even starting to see the Mexicans move closer to Canada and the U.S. on security issues. So all of the sudden with that combination, 1.3 billion Chinese looks a little different. But that won't just happen on its own unless you're part of a policy or as General Mattis whose experience has shown. For Afghanistan to succeed, for the countries in the Middle East to North Africa or Haiti, it's not going to work unless they have some economic foundation. It just won't work if people don't have jobs and opportunity and hope, rule of law, governance system. So again, I've worked on both the security and the economic side but I think the challenge is how you integrate those two together.

Frankly, the last thing is for the United States, we got our own challenges with some of the debt issues. If we're going to be able to continue to play the role in the next century that we played in the last century, we have to clean up some of these challenges at home so sometimes people talk about economics instead of a Come Home America. I think that would be dead wrong. It's a question of how you strengthen the country at home so we can also be influential abroad and I've also seen if we're influential abroad, it also helps people at home.

David:

Interesting. You mentioned an integration and General Mattis, I'm wondering about the integration between the military and civilian leaders because ... How

Richmond 1 Page 11 of

do you go about doing that in danger zones, if you will. In tough spots around the world, I mean, we're very territorial as people. We like our stuff and we like are areas and we don't want people, especially, in Washington, D.C., to infringe on that area. How do you get folks to work together in these areas?

James:

Well, the first point is just to recognize the main driver of this overseas is not the military as it sounds the military is. It's our economic relation to our foreign policy. That's under our ambassadors. So the first thing you do in the military to integrate is to identify what is the foreign policy of the United States and you stay firmly inside the left and right lateral limits of that. It's not that difficult. For example, the Middle East for all of our energy, it's independent, which is coming. There are going to continue to be three anchors that keep us in the Middle East. One of them is oil. The price of the pump will continue to be set where 40% of the world oil comes out of the Middle East right now. That's a reality. So you can't say because we're going to have energy independence, we don't have to have an integrated foreign policy, security policy, economic policy because it's reality. This is a market driver. Second, of course, we need our friends in this world. The state department is the lead on making friends and keeping friends. No country can make it without your allies and we need to tend to those friends and allies.

The third point, of course, is we ain't living in age of violent jihadists and we're going to have to work with countries overseas and integrate what we're doing with what they're doing in order to deny the enemy the opportunities who are trying to take advantage of, for example, of the Olympics this year. So if all have to be tied together, it's tied together with the state department in the lead and the military can give significant advantage to the state department. I'll give you an example. Two years ago, you were all hearing how Iran or various Iranian leaders were talking about putting mines in the water at the Strait of Hormuz. How much of you have heard about that in the last six months? I'd suggest very little. What we did two years ago, we put together an operation and a training exercise that was an international mine-clearing exercise. Now the free flow of oil has got to be maintained for the global economy. So we didn't make an anti-Iranian exercise. We made an anti-mine exercise.

I thought we'd get a dozen countries. Thanks to John Harvey's 5th fleet. They were able to put together ... The American Navy put together there a mineclearing exercise instead of a dozen countries. The first time we did it had 29 countries, including Djibouti, Canada, Estonia, Singapore, Japan. These are not bellicose nations and the Iranians look at it and realized they were actually creating an international coalition against them that was brought forward by the only navy in the world that could have done it, the U.S. Navy. It's silenced them and bought time, I think, for our diplomats to try to solve this problem because

Richmond 1 Page 12 of

international community against you. It shows how the military can help stabilize and drive down the risk of fighting to buy time, but that all it does is buy time for economic and policy efforts to integrate and find a way forward without-And the bank time is a crucial aspect to all of that. Senator Kaine, I'm curious

some hotheads in Tehran were cautioned that you don't want to bring the

about this. Your faith is very important to you. The humanitarian aspect of this and the faith aspect of this really do go hand in hand and you kind of seen this up close and you know I'm gonna mention Honduras because early in your career, I know you traveled there. How did that shape your view of what we're discussing

today as it relates to international development? Tell folks about that.

Yeah. Well, so many in the room 'cause I'm with friends, people are thanking me for coming and don't thank me, I live a mile from here. These guys had to travel a long way, not me, but the pivotal experience in my life next to parent and husband was the year that I spent, took away from law school to work with missionaries in Honduras.

I was 22. I was a first year student in Harvard law school. Everyone around me seemed very sure about what they wanted to do with their lives. I learned later they were just better actors than me. They were no more surer than I was. I decided to take a year off to kind of figure it out. I knew from my high school in Kansas City some Jesuit missionaries in Honduras and I wrote them and said let me come work with you. I'll just be a volunteer. They said, "Fine. Come." I didn't know what I would be doing until I landed.

They put me in charge of a school that taught kids to be welders and carpenters. My dad was an iron worker, so I knew that side of the technical field. I spent that academic year with these youngsters. This was in 1980 and '81. It's a very challenging time in Central America. There were civil wars going on across the borders in both El Salvador and Guatemala. Honduras was a military dictatorship. The counter war in Nicaragua was heating up. It's a very tumultuous time but it was also a time of just incredible learning for me, deep in my faith life certainly.

There's not a day that goes by that I don't think of some lesson about people, the poorest of the poor that I work with and the great adversity that they showed in dealing with life's challenges. But it also taught me about so many other things. You take for granted the things that you take for granted. I didn't know anything different than this society I lived in.

When I lived outside of the society, you know living in a military dictatorship where no one can vote for anyone teaches you something about the importance of democracy and how passionate people are about wanting to pick their own

Senator:

David:

Richmond 1

Page 13 of

leaders, so are the institutions that we take for granted, and then also the similarities between people. When Jefferson wrote the great words that all men are created equal, he just didn't say all Americans. It was people, people, wherever and whoever. We are all created equal by God and you came to understand something about the similarities.

Since I returned from Honduras, I came back a very changed person. I would suspect that anybody in the room who has lived abroad, wherever you've lived or traveled abroad significantly, you had that same experience of certainly learning about others, but probably more learning about yourself and about your own condition.

I also came back with a great, sort of accidental gift of now speaking a language that 40,000,000 Americans speak in their own home every day. That has been spoken here actually ... the English came to Jamestown in 1607 but the Spanish came to St. Augustine, Florida in 1565. So Spanish has actually been spoken continuously longer in our territory than English is. The ability to interact with 40,000,000 Americans who still speak Spanish as their daily language in home has also been a powerful connector. That reminds us in just exactly the way as probably General Madison talked about that connections are important and we have to maintain them across a variety of different spheres.

David:

You mentioned Asia before and of course the administration has been bringing up this trend specific partnership. Where does all of this stuff fit in as a relationship to trade balance in the Asian region, if you will, and what it means for the United States, for folks here in Virginia. And maybe kind of explain it, dumb it down a little bit for everybody so we understand.

Senator:

Well, this is a trade negotiation, but it's more than that. That's why it's called a partnership. It's investment, a whole series of rules which the US is having with a lot other countries. Of those 11, 6 are already free trade partners of the United States, so it's really adding 5. Of that step, the ideas to try to integrate them as an economic unit and fundamentally, US free trade agreements are somewhat different than other countries.

They're very comprehensive. They've got manufacturing, they've got services, they got extra property, investment, they have environmental labor provisions. They're more demanding than other agreements. But because of that, in a way, what they often do is take other people's economies and align their rules, push for the US rules. The benefits you can see from some of these past agreements, it turns out in the first 5 years of a free trade agreement, the United States negotiates our exports that country are about 3 to 4 times the rate of our exports to other countries. You see the boost.

Richmond 1 Page 14 of

In terms of the 20 free trade partners that we have around the world, they represent about 45% of our exports even though they only represent 10% of the world economy. You can see we do better there. Also, interestingly, while the United States runs a deficit worldwide with our free trade partners, we're overall in surplus. I'm going down this week to Chile which is a free trade agreement country that I negotiated with, it's the 10<sup>th</sup> anniversary. I think our exports have been up about 700 or 800%, so you see this big boost. Again it's a right combination.

In some ways, as you put these together, you can see why it's in Americas interest to try to engage these overall. But it's always a politically challenging vote. So what happens now is the congress is starting to put forward an authority called trade promotion authority. This is because under our constitution, the right to negotiate trade rests in the congress. Now if you're going to do a deal with a country, you can't obviously ask them to make sort of their tough steps and then sort of have it all unravel. So what the trade promotion authority does is allows people to vote it up or down, yes or no.

And it allows congress to engage in the process by setting the goals and sort of creating the procedures. But this will be a challenge as Senator Kaine knows because this one is kind of an interesting one. The republicans tend to be more supportive of trade but this is a democratic president, we're seeking this for the trade promotion authority for the pacific and Atlantic and other agreements. This is an issue that I think actually will engage people this year to try to see whether we can keep the momentum and you and the others made a key point which is that I travel a lot. If the US doesn't stay in the game, others will. This particularly a lot of these developing countries are very much sort of growth markets. In a way, the simplest way to remember that our barriers are about down here, most countries barriers are here. You go to free trade, we go a little bit about down and they go a way bit down and it's kind of a no-brainer if you really think about it.

David:

All right. General. There are a lot of hot spots around the world and there's a lot of controversy as to whether or not we should get involved in certain places or when we should limit our involvement or continue our involvement, whether it be Syria, South Sudan, Iraq, Afghanistan, you go on and on. How does the United States get the most out of this in their best interest in these countries? How do they go about it? How do we succeed as a country in these tough spots? Is that to be the goal to begin with anyhow?

General:

Well, I think it can become the goal at some point but if you take what the senator and the chairman have been saying first of all it's the old adage of what

Richmond 1 Page 15 of

do you do if you have a ship along Iraqi coast with onshore winds. Well first of all, don't get in that position. You don't do that.

We're here to talk about smart power not dumb power so let's not get there. but I think what you have to look at is falling back on a former chairman of the joint chief, General Collin Powell's doctor and his 8 points about before you get involved in a security manner with someone where you commit our troops, certainly help them protect themselves, the rule of law, law enforcement, military, by all means.

But before you commit our troops, make certain it's a vital, national interest that you can sell to the American people. I was in the Marine Corps for 40 years. I was in the United States Marine Corps. We're accountable, everyone in this room via your elected representatives. That's the way it goes.

If we cannot make a persuasive argument to you, the American people that this is a vital interest for our values, for our economic well-being, then you've got to reconsider being the world chair of every type. Sometimes, you just have to recognize, the world's not going to comfort itself to our view of what it should do and recognize we have no moral obligation to do the impossible. We shouldn't be apologetic about our values, we should do everything we can with economic policy and diplomatic policy to shape that world ... information, education programs, but I think we have to be a little careful about considering ourselves the world sheriff and spending the American taxpayers' money and sending the American people's sons and daughters on things that perhaps are illadvised in terms of our vital interest.

Not everything is vital. I would start there and make certain you have a strategy. What is the political engine you want? What are the ways and means to accomplish it? President Jim Wright, [inaudible 00:10:05] of Dartmouth University wrote an article last summer in the Atlantic that talked about what did we learn from the Korean war.

The first thing is if you don't have clearly articulated political end states from the immediacy, from the first time you go in to commitment of troops then you're probably going to have a problem ending the war. Witness Korea, Vietnam, Iraq, now Afghanistan, this has got to be clearly stated. Right now ladies and gentlemen, we need more people engaged in this country and driving toward a strategy that for example we had one in the communist state, one of containment. We all knew, republican and democrat, we knew where we stood on this one. I'm not sure that we replaced in this complex times that a strategy with a new strategic component. That's the way I would approach it.

Richmond 1 Page 16 of

David:

Interesting. Senator Kaine, a lot of folks like to beat up on the international affairs budget, you know? In other words, there is a lot of misconceptions out there and we just talked about that earlier, just 1% of the budget. Do you run up against those misconceptions and how this idea that there's a lot of money that actually isn't going to international affairs that should be, so how do you kind of beat that perception? What do you do exactly?

Senator:

Well, David, you do run into the misconception. People think the budget is a lot bigger than it is, so Liz, kudos to you for the video because I think it lays it out very well. It's 1% of the budget. Now, I'm an old budget guy from being a mayor and governor, even in the 1% you can always figure out ways to do better with the 1% and do more efficiencies and measurable and deliverables. But we first have to start and disabuse people of the notion that is a huge chunk of the budget. It's small.

Secondly, we do have to share with people what that 1% contains. Even if you get down to 1%, the number sounds big but people have the idea that that 1%, we're just stroking a check to folks across the waters. That's also wrong. So much of what we do in that foreign aid budget is of massive value to the US economy. When we fund an OPIC, overseas private investment corporation or XM bank, and we're helping American customers, big companies, small startup companies find global markets. We're creating jobs right here. When we have a foreign aid program to help hungry people around the world, we're buying a lot of food from American farmers. And if we weren't, they would be worse off.

So a lot of that 1% actually is not even in direct feel good benefits back to Americans and American jobs, it is directly connected to American economic activity. Then you add the value as has been described of if we're not engaged with others, we'll be. I had a really interesting conversation on the foreign relation with the president of Chile recently. The nice thing about ... on this committee was Senator Menendez, if the other senators drift away then Senator Menendez will tell and he'd say we can talk Spanish now. They'd dispatch with the translators. They're a lot more candid when they're not talking through translators. That's what I've found.

We started to talk about this issue of engagement and frankly, the president was saying we are so culturally close to the United States that in terms of who we wanna do business with ... we wanna do business with the United States every day and if it's a choice between the US and China in terms of who we wanna do business with, it's not even close. But China is engaged now and the US isn't so engaged. And this is what the nation where we have that 10 year history of a free trade agreement. That budget is such a good bang for the buck if we use it right. We need to explain to citizens and to our colleagues that the amount is not

Richmond 1 Page 17 of

exorbitant, that the amount includes direct economic impact right here at home in terms of jobs. Then if we leverage it the right way, the sky is the limit in terms of the value of that investment, the ROI on this investment is very high.

David:

You mentioned the United States and China in that relationship, there is ... am I on? Yeah, I think I'm on. There is a question from someone in the audience to you Chairman Zowik. Here is the question. Does not China's effort to build economies in the third world far exceed what the US does? I'm wondering if you can maybe talk about that relationship in more broad terms.

Chairman:

It's mixed. China is one of the tremendous growth stories over the past 30 years. It grew in about 10% a year for 30 years. Even so, what's going on in China now is they realize they're going to have to change their growth models. They're gonna have to make structural reforms just as Europe and the United States and the others have.

But just take the case of Chile with Senator Kaine mentioned. Chile is now China's biggest export partner, US is second, but Chile primarily sells commodities, a lot of copper to China. United States, it's more of value added sort of production. United States is still the biggest foreign direct investor in China, in part because of the rules or in Chile because of the rules of these agreements. I think it's inevitable that as China grows and it buys more things, I mean frankly if you look at American prices and it will soon be corn and others, the China market is what's made a much better life for American farmers. They'll play more of a role.

Now the question really focuses, comes home often on kind of the developmental aspect like in Africa where they're after a set of resources. In here, the story is inevitably mixed. Frankly, when I was with US government over at the world bank, I think it's a mistake to try to say to Africans, "Oh, you shouldn't have the Chinese." 'cause they'll say, "Well, who are you to tell us?" with American and European experience. But frankly, we could also help them. So when it comes time to contracts, whether it comes time to sort of getting the Chinese to develop the resources in a way that are more environmentally sound, that involved more African workers.

And I'll tell you the reality. If they don't, they'll get into their own problems. Just as I listen to this panel, one of the reasons why America has to stay engaged with all these regions is the way the clock keeps coming back. Senator Kaine talked about Korea and Teddy Roosevelt and it made me smile, because if you read the newspapers today, you'll see the sensitivity between Japan and Korea. Frankly, this dates back exactly to those events in sort of 1905 and 1906.

Richmond 1 Page 18 of

The things that Teddy Roosevelt negotiated this peace agreement. People in the rest of the world have long memories, sometimes too long. One of the benefits of the United States is that it's a country that's always looking ahead. It isn't handicapped by the past, but we're now in a new age with China. It's a question of how we can work with China effectively but also deal with some of the security considerations that will develop as they become more militarily powerful. But I think in other regions of the world, the challenge will be for the United States not to say stay away 'cause that won't work, but the work with the other countries to make it more effective.

David:

Let me ask this question. Actually, there's a question from the audience, sort of the general ... I'm curious to get your take too, senator. Here is the question. How are the reduction of the military in Iraq and Afghanistan, that type of ... in that situation affects US foreign policy but also diplomacy and development? How does that reduction of military? How will that play out?

General:

Well, it is inevitable, ladies and gentlemen, that we are going into a more heavily naval strategy in terms of our support for foreign policy and to think that Virginia has got the largest naval base in the world, it's also got the only NATO headquarters on American soil. It's a reminder of both the naval aspect, but also that we're going to have to work more closely with allies in the future because the nature of the world's economies and the rise of the rest means that we have got to work with others in order to carry this load.

It should not be carried solely by the American taxpayer. So I think what you're going to see is a shift to a more expeditionary kind of effort. Certainly, we can defend America. We may have to adjust the strategy of the political ends. There may come a time when as much as it is an upmost to us to stand aside when some horrible things are happening.

If we don't maintain the cost of a very large and capable military, we may have to swallow our pride on some things. That's inevitable also. But at the same time, if we keep our allies strong, if we tend to our friends, if we keep our values foremost, if we say there are certain things that we simply not only stand for but will not tolerate, I think there's a way using kind of centered around the US maybe as our arm of decision. Then you add the expeditionary army and the air force and of course the marines who ride on the navy ship. There's a way for us to engage in a positive way without breaking America in the process. I think that's what's going to be the longer term impact.

David: What do you think, senator?

Richmond 1 Page 19 of

Senator:

Well, we have some immediate work to do to communicate to our allies in the middle east that we're not going away from the region, because they look at the withdrawal from Iraq and Afghanistan, they look at America's energy independent now or getting close to it. Maybe they don't need us this much. I have been recently ... and the general and I were talking about this at lunch [inaudible 00:19:57], they've really been sort of banging on us about your moving away from the region.

I frankly wish that the administration had not talked about a pivot of rebalancing to Asia because there's an incredible need for a focus on Asia. But as soon as you say that, anybody who's not in Asia says, "Oh, I guess, we're not as important anymore." So the language even created some challenges. But I was in the Middle East recently and had a security dialogue with a lot of our gulf state allies and I said, "Let me challenge you on the ... we're leaving. Our trade is up. Foreign direct investment is up. We're more diplomatically engaged in tough negotiations whether it's in Iran, in and around Syria, Israel, Palestine.

We're more diplomatically engaged in the Middle East than we've been for a long time. We put military force through NATO into Libya and we cast a vote and we're willing to do military force in Syria to punish Assad's use of chemical weapons when other nations weren't. We're not leaving." And we were even willing to keep a US presence, a larger presence in Iraq, but they did not want that.

The Iraqi foreign minister told me, he said in a public meeting in Bahrain said, "President should not make the mistake that we made in Iraq when the US was willing to stay and we didn't want you to. President should not make this mistake." So I think the general did a good job of saying here's kind of the things we need to do, but I do think we have to communicate to our allies because they have some natural concerns. Even this energy independence thing for us is fantastic, but it creates a significant anxiety among those who have always known that we would be there if nothing else than to keep sea links open for oil exports. We're still going to do that but we have to make sure that our allies understand that.

Chairman:

I am curious. Okay, please. First off, I thought we have got one broadminded marine general here when he talks about the navy first and the expeditionary army. I think this shows the benefit of those joint commands and central commands. I want to draw out this Afghanistan point in this because it actually shows the connection of the security very well.

We'll give you two examples. One, when I was at the world bank, one of the things that I did to actually kind of prod some thinking on this in the US

Richmond 1 Page 20 of

government was I was looking at the numbers of the Afghan army that was supposed to be built and then I was looking at the numbers of the afghan economy and trying to have some sense of what the revenues would be. I actually 'cause the world bank had a big operation in Afghanistan.

I was trying to say to people, "You know, if you think about the size of the economy and can only support so much in the way of revenues for its army and you're building an army at this, you've got a little delta here in terms of who's going to pay for the remainder." So you have to be honest of the country. Are you either going to pay those billions of dollars a year to supply the army or you're going to have to have a smaller army 'cause otherwise you'll build it up and almost had to take it down.

That's a very practical example about how economies matter for stability and military in a country where we've been fighting for 10 years. But the other side of it is, we've started a program that's predated me in Afghanistan called the solidarity program. What it basically amounted to was very small grants, \$30,000, \$40,000. It would go to a small community. But they would discover where the money went.

So we forced them to put together councils. Sometimes men and women, sometimes men and women separately, but they decided would it be for micro hydro, would it be for roads, would it be for school. The economic rate of return of these projects was over 20% which would be a pretty good return for anybody. But the other thing is, when the Taliban would go after some of the schools for example, the people would fight them off because these were there projects. So it's an example of how if you're going to sustain in very difficult places, the local people have to own it. If you're doing something of a foreign assistance or a security side, part of our strategy is how do you connect those two so that the local people are partners and ultimately own it themselves.

David:

The chairman mentioned foreign assistance. I want to get back to you really quick on the Syria issue. You brought Syria. This refugee crisis is just as horrific over there. What can ... should the United States do in a situation like Syria when it comes to the humanitarian aspect of all of this? This has nothing to do with foreign assistance and money here.

Chairman:

Syria has got to be one of the most challenging issues that we have dealt with globally for a very long time. I was with General Austin recently. He said he thinks this is the toughest one that he's seen in 30 plus years in the army. I was speaking with the ambassador from the UAE recently and he said the same thing, very, very tough.

Richmond 1 Page 21 of

Maybe one of these examples that atrocities are happening are just a call out for a human response from all of us and what is the US's role to deal with those. I felt like it was an important role that the US should play that when if you use chemical weapons in violation of an international norm that's been in place since 1925 against civilians, there's got to be a response or you're just going to have more of them used.

For that reason, I was willing to vote for the use of military force to punish and deter future use. However, the deal that is destroying that chemical weapon stockpile is a very good substitute. We wouldn't have accomplished that, that wouldn't have happened without a threat to use military force because Syria and Russia were stonewalling every effort to deal with this and tell they were faced with the threat of military force. So that shows how these things fit diplomacy and military. But the one area where we might be able to forge a consensus in Syria even amidst a lot of questions about who exactly is the opposition is on the delivery of humanitarian aid first to the refugees in other countries.

The US is the largest provider of humanitarian aid to Turkey, to Jordan, to Lebanon, to the nations that are dealing with this mass of refugees. But then the internal humanitarian problems and the internal refugee living within Syria, we should be able to work with a coalition of nations to be very, very aggressive about the delivery of humanitarian aid to Syrians on whatever side of where they are.

I think we should find a way with partners to be aggressive about humanitarian aid delivery and frankly dare Assad or dare the Jihadists in the opposition to get in the way of the global communities effort to deliver humanitarian aid. If we can put together a coalition for the aggressive delivery of humanitarian aid inside Syria and I think we can, I don't think either the Assad regime or the jihadist within the opposition would dare to mess around with us. The humanitarian piece may be the one piece where it would be somewhat easier to find common cause but it's a thorny, thorny problem.

David:

All right. I think we're nearing, we're getting towards the end so it's now time for kind of the lightning round, if you would, on a game show, so good luck trying to get these in 30 seconds to a minute or so. Here is a question from the audience for you general. What is the best way to measure foreign assistance to ensure we're getting adequate return on our investments? It's a great question and it's something I know a lot of Americans are very concerned about.

General:

Yeah, David, it's a very good question. I'm trying to get my own hands around it. I tried to quantify what we were doing in various countries that I was responsible for the military operation surrounding that area. Then I wanted to see how could

Richmond 1 Page 22 of

we measure the effect. How often do they vote with us in the United Nations? How often do they support us militarily? What kind of free trade agreement or economic agreement do we have?

There's got to be a way that we holistically evaluate those countries and frankly, we should not be afraid to take our own side in the fight in an argument. The reward ... an organization gets the behavioral reward. We need to reward those who seem to be aligning with what we think is the right way to go without becoming dictatorial and losing our friends in the process, because not in all areas do they agree with us. That would be the way I would approach it.

David:

What do you think, chairman, from an economic standpoint, what's the best way to kind of get that return on investment that economic experts always talk about anyhow?

Chairman:

Well, very surely what the general said. The key is to focus on result and be quite rigorous in focusing on result. People often focus on inputs. How much you're spending, what you're doing, but whatever you're measure is, children going to schools, girls going to schools, sort of health operations and it's important for people to know that some of this has made a huge difference in HIV, AIDS, in malaria.

You've got the tremendous sort of health effect. I think you have to combine that with the real openness and transparency about what you're doing. One of the things I always try to talk to people at the world bank about you also need to have an analytical rigor because if poverty were so easy to eliminate, somebody would have done it a long time ago.

But it's natural that a lot of the people who work on this run into the problem of what I call ... it should have worked, I wish it worked, I really want it to work but you have to be honest to know when it didn't work so that you can try to learn from our mistakes and try to fix things and improve things. Last one on this is just what's quite striking is this is no longer just a US burden. What you've seen with the rise of developing countries, there have been a lot of lessons, a lot of learning about what works. Frankly, what we've seen just goes right back to our basic story about openness and trait. The countries that are more open, that have moved towards rule of law, they open investment, they do better.

David:

That kind of raises this whole idea and you've heard the skeptics saying, "Look, we can't be ... we, the United States can't be the world's policemen, that at some point, we need to pull back whether it be economically, militarily or otherwise. What do you say to those skeptics that say, "Look, the United States needs to

Richmond 1 Page 23 of

pull back and what might be the repercussions if we did from a foreign assistance and diplomacy standpoint.

So I mean I agree with we can't be the world's policemen. I think that if somebody comes up to me and says that, I'd say I agree. But we need to be an exemplary nation. Sometimes we talk about whether we're the indispensable nation. Indispensable can often mean, we think we got to be in the middle of everything even when we don't, but I want to be an exemplary nation. And if we're an exemplary nation then we won't be indispensible. Let's focus on being an exemplary nation. While we cannot be the world's policeman on our own, we can build coalitions.

I think the general said we've been looking for a foreign policy doctrine since the end of the Truman doctrine, right? So the Truman doctrine, we're going to contain this union everywhere they put up an X, we're going to put up a no, and vice versa. And that was from President Truman to the collapse of the union. That was America's foreign policy. The effect of the creation of Peace Corps, a military budget, foreign aid budget, everything.

Since the collapse of the Soviet Union, we haven't had an organizing principle. It was ad hoc for about a decade, then it was war on terror. But war on terror is too narrow a strategy for a nation as great as ours. It's a defensive kind of bunker kind of strategy. Fighting jihad and the terrorist is going to be piece of it, but that can't be our foreign policy. Our foreign policy has got to be bigger than that and I think as we're looking for that next iteration after the Truman doctrine, it's probably going to be heavily multilateral.

We'll defend ourselves unilaterally without asking anybody's permission. But if we're going to promote values, we have to find partners and if we can't find partners, we'll have to look at ourselves in the mirror and ask is the value really at stake? Are we looking at the situation right? So defend ourselves unilaterally but promote our values multilaterally. I think that's kind of a ... that gets us by just being the world's policeman, we going to build partnerships.

David: And just a quick follow up. What can folks in this room do to further advance

that development, diplomacy angle to work with certain specifics and faith and

business organizations? What can folks in this room do to be proactive?

Chairman: Now Liz just loves that question. I mean you've given her a soft ball.

David: She was the one that I actually asked.

Richmond 1 Page 24 of

Chairman:

Because some part of the strange fellow's coalition is the answer to that. One of the ... join any of these member organizations, whether it's the child fund or the GLC, 25 years ago, almost all of the development money in the world was put in by governments.

Today about 80% of international development money is put in by companies and NGO's and only about 20% by governments. International development is dramatically changed to become more NGO and private sector driven with governments obviously playing a critical role. But whether you're a part of a coalition like this or whether you find one of the members of this coalition that is exactly what you're focused on, you are doing patriotic work that's going to help people right here at home if you engage vigorously in American world leadership through one of these organizations.

David:

What do you make real quick of this US, Russia dynamic in terms of the relationship or potentially lack of it at times, what does it mean for United States cooperation around the world?

General:

Ladies and gentlemen, we're going to have opportunities given to us by this enemy we're up against because the enemy we're up against is up against any kind of integration. It's their way or the high way. And I think we're talking with the governor over dinner that when the Russians were attacked by terrorist bombs in Volgograd, the next day the director of FBI and CIA of Scotland Yard, of Interpol had to be in Moscow saying we're going to help you hunt these guys down to the ends of the earth and dispatch them.

We have got to see opportunities to work with nontraditional allies, people we haven't always been with because the enemy is going to give us that opportunity and we should not forgo when it happens. I think there's a way following what the senator talked about in terms of promoting our interest to work more with allies in the future. We devote more attention to friends around the world. We need them and we're going to have to do this and take our own side in this fight, even if at times, there are places where we disagree with each other. It doesn't mean we have to stop all support for one another because in some narrow sphere, we don't agree. We got to get over it. That would be my initial response here.

Chairman:

Well first, I was working with Secretary Baker and the first President Bush at the end of the cold war. As I reflect on a lot of the causes that came to the breakdown of the Soviet Union, one that you have to keep coming back to was \$15 a barrel of oil. Gorbechov, my own belief in the view of the soviet economy, if you hadn't had that situation, I'm not sure they would have applied it very straight and realized they had to reach out.

Richmond 1 Page 25 of

28

I just mentioned that because today with the economic reforms in Russia, it's still basically an energy play. In that sense, the economy has got a fragility to it 'cause you're telling me about the price of oil and I'll tell you about some of their situation going forward.

The demographics to Russia, it's a dying country. I mean you look in the eastern part and because of alcoholism, men are dying an early age. In a sense, what you have with President Putin is somebody who's in a sense trying to reestablish his old view of Russia and the empire. It's not going to work. I think going back to the point that the general and the senator both made, we also need to work with partners on this.

The Russian pressure on Ukraine and Georgia and others frankly is something that should not be acceptable to us, we're not going to go be sending in the US marine corp. The question is can we and the Europeans and others help support the people in Ukraine that want to stand up to the Russian pressure. Ultimately, it's got to be sort of their choice. So I think again, whether it's at a time to be alert to the fact that some of the Russians themselves are recognizing they're going to have to undertake sort of economic reforms to change it, overtime, Russia could be a partner with some of the other dangers in the room, but in the meantime, we may need to reset the reset.

David:

Can you just give me your quick view on that 30 seconds or so on US, Russia relationships politically?

Senator:

Both of these guys know much more about this than me, but what I will say is we learn something about Russia obviously when they changed their calculation on Syria. They changed their calculation about Syrian chemical weapons as soon as we're willing to use military force. I don't think they did that 'cause they love Assad, I think they could care less about Assad. They have other interest there, but one of the interest they have is when the general mentioned they have the same fear about non state terrorism, whether it's Al Qaeda or Chechen stuff.

They have interest about terrorism that matches. So we need to find that ability to work together on those issues of common cause. Then the second thing, this is more in General Madison's expertise but we're gonna have to rethink a little bit some of these international institutions like NATO. NATO was established as part of a Truman doctrine to check the Soviet Union.

Soviet Union really was an enemy. We have tensions with Russia but they're not really the enemy of the United States the way the Soviet Union was perceived to be. So these issues of NATO expansion, one thing to do that when the Soviet Union was an enemy. Russia still views NATO expansion as, "Wait, do you think

Richmond 1 Page 26 of

we're your enemy? We're not your enemy. We don't agree on everything." Some of the institutions that were created in a Truman doctrine world now that there is no more soviet union conceptualizing their next chapter going forward is a very important thing for us to do to try to maximize the chance of working together on those issues where we do have common cause.

David:

Very nice. Wonderful discussion. Thank you all very, very much. A big hand please. Wonderful. That was great. Thank you so much. Just [inaudible 00:38:17].

Karl:

Hi, everybody. My name is Karl Beckstein. I'm the USGLC's Virginia outreach manager. First off, I would just like to thank our speakers here today, Robert Zelik, General Madison, Senator Tim Kaine and David Brody. We really appreciate you being here with us today. I'd also like to thank a few close friends, Brett Vasi, Ann Goddard, Senate Governor John Heyger for being here with us, as well as our co-host today, [inaudible 00:38:45] International, the Virginia Manufacturers' Coalition, the Robins School of Business at the University of Richmond, the University of Richmond, the Richmond World Affairs Council and the Reserve Officers Association.

We appreciate all the hard work. Also Colonel Joe Wadel and Colonel Bill Parish who've really helped me in this event, a great success. But quickly, I'd like to reflect on some words that Liz, our executive director likes to say about the difference between a good meeting and a great meeting. What happens at a great meeting is not what happens during it but what happens after, so I ask all of you to join us in supporting strong development and diplomacy alongside defense. In the next few days, I'll be emailing all of you with some highlights from today's event and the important discussions we had.

I ask you to please share what we talked about today at this event with your friends and your colleagues that couldn't be here, to like us on Facebook and to follow us on Twitter. But I think most importantly, we need is to ask you the true leaders in the Richmond community to tell us who wasn't here, who we need to be engaging and talking to the next time we're here. So please send me your thoughts and ideas on what we need to do next and who we need to talk to. Finally, we are very happy to announce that our annual conference will be coming up this year on June 17<sup>th</sup> and 18<sup>th</sup> in Washington DC. We'd like to invite all of you to attend. We have a great group of people that will be there. It will be a great opportunity to meet different members of congress and key leaders from the military, foreign policy, business and humanitarian communities from all across this country. So with that, I look forward to working with all of you and on behalf of the US GLC, thank you for coming.

Richmond 1 Page 27 of

Richmond 1 Page 28 of 28