I am very much looking forward to joining the fraternity of national security advisers. I don't know if they're going to have to change the rules of admission or not, but it is delightful to follow in the footsteps of a great group of people who have served the country selflessly. I just want to add that no one has served more selflessly than my former boss, Brent Scowcroft, who I expect will still be on the other end of the phone to tell me how to really do the job. I'm also very glad to be here with all of you. I see a lot of friends in the audience, a lot of people whose wise counsel I've had over the years and whose wise counsel I hope will have over the coming years. And I am especially glad to participate in a conference that is organized by the United States Institute of Peace. This is clearly one of our country's most successful new public-private partnerships. I'm grateful to the Institute for its work. I am grateful to its visionary director, Richard Solomon, with whom I've had many, many interesting and important discussions about foreign policy and about Asia in particular.

I am very grateful to you for giving me the opportunity to speak about "Passing the Baton." Now that's an image I particularly like, because passing the baton evokes an image of a relay race run by a team. And indeed I like that image because Sandy Berger and I are teammates in important ways. We may compete against each other when we're in races at home, but I can tell you that when the United States tries to pull together a foreign policy that is good for American interests, and I hope good for the world, that we have both had the pleasure of representing "Team USA." This has been, as most of you know, a very hurried transition for reasons that we all know. But Sandy has done everything possible to make this transition a smooth one, and I want to take this opportunity to publicly thank him because when we get off to a start on Saturday—if we get off to a good start—it will be in large part because Sandy has performed that task so well, and I would like you all to know that.

I think that dialogue is a part of the tradition here at the United States Institute for Peace. But I want to offer some thoughts about the challenges that we face and a little bit about how I think how the National Security Council staff and its adviser need to think about those challenges as we face them over the next several years. Now, as you all know, I had the honor of serving in government for the United States at the end of the Cold War, and in 1990 I saw events that I never thought I would behold. I, like most specialists in international politics, went into government expecting to return to Stanford University with a Europe divided, with a Soviet Union intact, with a Germany divided, and with a world that had been pretty static; since 1945 largely unchanged. Well, to my great surprise; and indeed my great honor; I had a chance instead to participate in the unraveling of the Cold War. A largely peaceful unraveling of the Cold War that came about because of great statesmanship on all
sides—and I really do want to say on all sides, on the side of the United States and the Europeans, but also on the side of the Soviet Union. It was statesmanship that saved the world from what could have been a conflagration. It was also a time when values mattered, when values of individual liberty and freedom that had been suppressed in one part of Europe for almost 50 years emerged unscathed because it turns out that they are incredibly powerful values that can, regardless of the circumstances, endure. I remember particularly one moment when I stood in Moscow at the Oktyabrskaya Hotel and witnessed the signing of the document that reunified Germany. And it struck me that it was remarkable that it was done really with very little ceremony, quite unlike the scores of arms control agreements that had been attended by major summits and great fanfare. This moment took place in a hotel in Moscow, the only head of state who was there was Soviet President Gorbachev. In some ways it was as if the world, tired of the Cold War, had finally decided that it should end with a whimper, not a bang. To that we should be very grateful, but in thinking about that moment we should not underestimate how remarkable it was. You don't have to hear a band playing to signal that one era has ended and another has begun.

For the first years of the new era, after leaving the government, I had the privilege of helping to manage one of the world’s great educational institutions, Stanford University, parked right in the heart of the Silicon Valley. In fact, Stanford University and the Silicon Valley are symbiotic. This last week one of the last remaining fathers of the Silicon Valley, Bill Hewlett, died. Bill Hewlett and David Packard built a little company called Hewlett-Packard with a $500 loan from the Dean of Engineering at Stanford University, Fred Terman. Fred somehow believed that these two young graduate students of his had a good idea, that creativity ought to be rewarded, and that they ought to go out and give it a try. Well, I'm going to tell you, that's still the story of not just the Silicon Valley but the story of Route 128 and of Austin, Texas, and of many, many places where knowledge and smart people that come out of the great American universities go on to create whole new realms of knowledge that become whole new areas of the economy. I can tell you that during that time the subjects that were familiar and of great love to me, Kremlin debates and nuclear throw weights to name two, were displaced by some new topics. Believe me, when you talk about the rivalry of the great powers in the Silicon Valley they don't mean East and West; they look toward Redmond, Washington. Now, no foreign visitor to my office ever wanted to talk about nuclear throw weights or Kremlin debates during my time as Provost. They wanted instead to talk about how to become the Silicon Valley, how to use the creativity and innovativeness of their people to create whole new areas of knowledge, and to spur the kind of economic miracle we have seen in this country.

I am grateful for the opportunity of having had that experience because it taught me something very special about the United States of America. Unless you understand the specialness of the American experiment it is hard to understand what America can mean in the world. First of all, it taught me that creativity and openness and risk taking—the willingness to let a free people and their labor be rewarded—is really the engine of economic growth. It taught me, too, that we are one America out of many backgrounds and ethnic heritages because California, and the Silicon Valley in particular, is as ethnically diverse a place as you will ever find. In fact, one of America's great strengths has been that it has been open to wave after wave of immigration constantly rejuvenating, constantly strengthening, the pool of people already here, and that is something that if we ever lose, we lose something that is very vital to the United States. It taught me, too, in America it does not matter where you come from; it matters where you are going. It matters tremendously that our educational system supports upward
mobility, that it supports the belief that you can be the child of an itinerant farm worker or the child of a fourth-generation legatee and you can still sit in the same classroom at Stanford or Harvard University. It can matter not where you came from but where you are going. Those values and the belief that merit and hard work can help you get ahead, that class and background should not be impediments to the good life, is part of the promise that people have come to America seeking for the two-and-a-half centuries of our existence. So, in some ways it is a different world from the world that we confronted in the Cold War. But we need to remember always that these core values have not changed and that they are indeed the core values that sustain us at home and make us a different kind of power abroad.

President-elect Bush and I had the opportunity many, many times to talk about these values. As Governor of Texas he practiced them, he saw them, and I think it is one of the reasons that he has been so fundamentally devoted to education as the most important priority as president. But they are values that he understands and it is for that reason that he will be able to lead Americans as we play our important role in the world.

Now it is absolutely true that America's national interests require a kind of consistency and a kind of constancy about certain elements of what my friend Joe Nye would call "hard" power. That constancy entails a devotion to keeping the military strong, so that we can keep the peace. It means a devotion to friends and allies, making certain that our alliances are strong, that our coordination and consultation with our allies is complete, so that we have friends and partners in the world when we need them. And it is absolutely the case that you cannot simply call your friends when you need them; you have to call them before. And so I think that you will see a strong emphasis on the role of allies. It is also true that America's interests are served by devotion to open economies and to free trade, and that the President of the United States has to pay attention to the great powers. Powers like Russia and China, and increasingly powers like India are, as my kids at Stanford would put it, so large and so consequential that they can "ruin your whole day." The desire is that those great powers can develop relations with the United States that will not ruin our whole day but that will instead be cooperative. We will have our disagreements. There are disagreements that are quite serious. But there is no reason to believe that fruitful relationships with other great powers with important interests cannot be nurtured and sustained in a way that is good for all concerned. Now, that's the kind of "hard" power (and since most of you may know from reading about me that I am a realist, or so people say) to which I apparently pay a lot of attention.

I want to assure you of one thing: it's an academic debate as to whether or not our interests or our values ought to govern foreign policy. Our interests and our values have to go hand in hand. In fact, our interests are reinforced by our values and vice versa. There is no doubt that American interests are better advanced today in a world in which more countries share our values of individual liberty, of freedom, of the belief that the ruled ought to be able to chose those who will rule them, of freedom of the press, of human rights, and of human dignity. There is no doubt that those interests and those values go hand in hand. In that regard there are two instruments of American power that I think are sometimes undervalued in understanding our best road toward a coherent foreign policy, and I want to talk just briefly about those two.

One instrument of America power is to better understand and to better use the strength of nongovernmental institutions in promoting American values and interests abroad. In fact, I would call these "universal values," because these are not simply American values. It turns out that when you ask
people, "Do you want to speak freely? Do you wish to be able to enjoy the fruits of your labor? Do you wish to be able to be free from arbitrary power?" All people say, yes, they do. These are universal values. Now, nongovernmental institutions of many types play important roles. We can think about the tremendous role of institutions that are doing the hard humanitarian work abroad, or we might think about a set of institutions that I'm extremely interested in—our great educational institutions.

At Stanford I watched as more and more students, particularly at the graduate level, from around the world sought their higher education here. And those people go back not just with a better education, but I think with a better sense of who we are. Now there's been a lot of talk about how to build nations and there's often reference to the Marshall Plan in doing so. But I would offer to you that as important as the Marshall Plan was to the rebuilding of Europe—and it was—one of the most lasting effects of that period was actually through Fulbright Scholarships and Marshall Scholarships. That brought scores of Europeans here and scores of Americans there. Scores of Asians here and scores of Americans there. To understand each other better and to come to a common vision of human dignity. At Stanford I was fortunate to engage with some of my colleagues in the creation of something called “New Democracy Fellows.” These fellowships brought outstanding scholars from Eastern Europe to Stanford. We helped them to study traditional academic disciplines where top-flight scholarship in the former communist states had really been stifled. Disciplines like history and sociology and anthropology and political science. When these fellows went back home I’m sure that they were not preaching the virtues of the Republican Party; the Stanford faculty made certain of that. But I can assure you that they were experiencing free scholarly exchange and free scholarly ideas. You know at the toughest, most difficult times countries that were cut off from one another could sometimes find a way to break down barriers through scholarly exchange. Knowledge truly knows no borders. And if we ever forget that knowledge knows no borders, we again will take one of the most important arrows out of the quiver of the forward march of democracy.

Another instrument of power is of course this public partnership with the United States Institute of Peace. The Institute has pioneered a new Virtual Diplomacy program that applies information and communications technologies to prevent, manage, and resolve international conflicts. The program's sponsors write about a revolution in diplomatic affairs that can parallel the revolution in military affairs. And I think the Institute is on to something because, where power lies in knowledge and ideas, surely the new information technology has become an astonishing force multiplier.

Now, as I give these examples of public-private and private institutions, let me assure you that I think that there are many things that the U.S. government can also do to further values, to further the promotion of ideas, and to create a world in which there is a common, shared experience and thereby a common understanding of human dignity. Now it's a real challenge for the way in which our government does its work, particularly in national security affairs, and that leads me to the subject of the National Security Council system.

The National Security Council system was, of course, created by the National Security Act of 1947. It was created to help unite the great departments and agencies of the government to prepare for the dangers of total war. One of the statutory members of the council under the act was the director of Defense Mobilization. Now, since he doesn't come to the meetings any more, I think we may ask the question, "How relevant is this particular institution to the world that we face now?" What we need today is an NSC system that unites the government to prepare not for total war, but for the total spectrum of policy
instruments we can use when military power is not appropriate. We've gotten ourselves into a quite bipolar discussion: we either intervene militarily, or we're isolationist and we don't intervene at all. In fact, there are a whole host of instruments in between that need to be fine-tuned for the times when military power is clearly not appropriate. In 1947 the challenge was to tame the clashing interests of the State, War, and Navy Departments. In 2001 the challenge is to unite the far-flung concerns of all the agencies that are working across our real and virtual borders, from the Department of Defense to the Public Health Service, from the administrator of NASA to the Federal Communications Commission.

Let me comment, then, on how I see my own role as assistant to the president for national security affairs in this complex world. These many agencies have to perform in concert, striving toward a common purpose. Precisely because our policies now involve so many players, we have to have a clearly written sheet of music (you may know I'm a musician, so pardon the reference), so that everyone knows what tune to play. The National Security Council system, with the president at its top, is the instrument we use. Now, it's not my job to make people "toe the line"; instead, the challenge and the great opportunity is to sense the possibilities of this new era and to make connections, to work as a team toward an American foreign policy that is coherent and successful. We can no longer afford "stovepipes."

When we talk about America's commitments with our European allies, we should think about how our common ideals help us to see ways to work together on issues of the new economy without being mired in problems of the past. When we talk about free enterprise with our Latin American trading partners, we should make the connections to our political institutions. When we think about the new dangers of transnational terrorism, we must make the connections between law enforcement and national security. When we think about transforming defense, we must make the connection between defense agencies and the way business and society are already adapting to the new information technology.

So my conception and my hope for this job is overwhelmingly positive. We at the National Security Council are going to try to work the seams, stitching the connections together tightly. If we can do that, if we can provide glue for the many, many agencies and the many, many instruments the United States is now deploying around the world, I think we will have done our job on behalf of the president of the United States. Then we can develop a foreign policy that uses all of the incredible strength of this country and is able then to project American influence in support of its principles.