

# LETTER FROM THE VICE CHAIRMAN

**V**ictor Hugo wrote that “no army can withstand the strength of an idea whose time has come.” In foreign policy, the time has come to change our central organizing principle from geopolitics to geoeconomics, from traditional balance-of-power concerns to economic and security concerns. But the United States has been slow to make that transition, as I have observed these last five years overseeing the Council’s policy research and related activities.

I believe that the Council can and should lead the way intellectually in helping our nation make this policy transition. To do so, we must first understand clearly the new centrality and power of economics in world affairs. At the same time, because the world remains a dangerous place, we have to tend carefully to security concerns as well. And underlying all this, we must help to develop the next generation of foreign policy experts—people who are trained in both economics and security, economics and regional politics, economics and refugee or environmental matters, and the like.

The biggest threat to American security, I am convinced, would come from a worldwide economic meltdown. More than anything else, deteriorating living and growth conditions could trigger a new round of political instability and a new arms race. For as far as the eye can see, the countries that could represent major

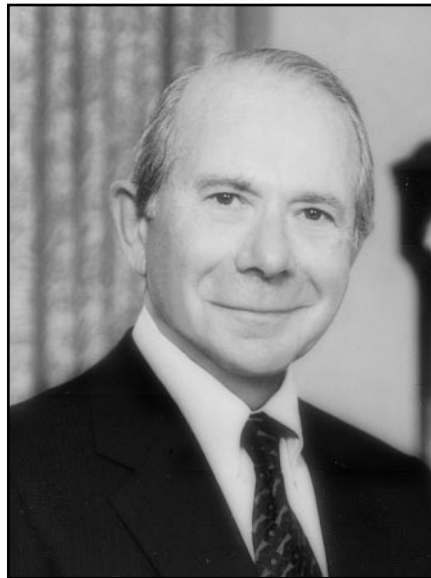
strategic challenges to the United States are concentrating on economic growth. I refer particularly to Russia and China, but also to Germany and Japan. I think there are good grounds to believe that these nations will not become our strategic adversaries once again, so long as their leaders and people believe in their economic futures. If our leaders, as well as those in Beijing and Moscow, focus on the mutual benefits of trade and investment, we ought to

be able to work out our other differences. The process of focusing these nations on economics will not be an easy one; it never has been. But unless we retain that focus, it will be all too easy to slip back into old-style tension and confrontation.

To further the idea of geoeconomics, the Council has sponsored an independent Commission on the Future International Financial Architecture. In addition, we have established independent task forces on America’s economic policy toward Russia, China, Japan, and Brazil. We have also launched a variety of studies on globalization. One, in particular, will look into exactly how the world economy today is different from that of years past. We will be doing more such economic policy studies in the future. This means we

will be doing a lot more work on Asia as well.

National security issues also remain high on the Council’s research agenda. But what we are trying to do is to



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study old threats in new ways, that is, in light of economic conditions, and to investigate new threats as well. We have to maintain the military might to deter and, if necessary, fight wars on two fronts. But eventually and under the right conditions, development packages including trade could well play an important role in resolving these conflicts. The proliferation of weapons of mass destruction represents a serious and continuing threat to the world, and we have to deal with these on their own terms, to be sure.

The organization of our military forces and U.S. defense policy have to be rethought, and the Council is involved in that, also.

But our thinking here has to escape from traditional boxes and look with fresh eyes at new forms conflict may take. We have to examine the idea of a stand-by U.N. force, recruited globally, for peacemaking and peacekeeping operations.

Terrorism has always pockmarked history. But today's varieties seem more widespread, and potentially more lethal. Above and beyond better intelligence and police work, more study needs to be done on how to deal with aftershocks of a terrorist attack on American cities.

Neither the Council nor any other American foreign policy institution will ever make a serious intellectual dent in all these problems unless we have the human talent to tackle the new problems with new analytical skills. And here I come to the central goal of the Council's research efforts—the development of the next generation of foreign policy experts.

It would be best, of course, if universities would overcome departmental walls and begin to train students in economics as well as traditional international studies. That is the natural means of developing new talent. But since this is not happening at the universities, we have to do what we can with mid-career training. Our mission at



*Robert E. Rubin, Judy Gelb, David Rockefeller, and Maurice R. Greenberg at President Bill Clinton's September 14, 1998, Speech, "Address on the Global Economy."*

the Council has been to try and find younger people with government and academic backgrounds and cross-educate them. That is, we look for those with an economic policy background and have them work on foreign policy issues, and vice versa.

This, too, is a slow and complex process. But it works. Back in the mid-1950s, a young Harvard instructor by the name of Henry Kissinger, who had written his Ph.D. dissertation on the Congress of Vienna, served as the rapporteur of a Council study group on the nation's future national security. He worked with a distinguished group of Council members who had served in government. The result was one of the most important books published in the last 50 years, *Nuclear Weapons and Foreign Policy*.

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