

THE ECONOMIC CLUB

O F W A S H I N G T O N , D . C .

Excerpts from the Signature Event featuring The Honorable Thomas Donilon, National Security Advisor

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The President saw the potential of a real humanitarian catastrophe when Gadhafi was threatening a town on the coast in Libya called Benghazi with 700,000 people. The President saw an opportunity there to act in concert with others to protect those people. We did that, and it was, I think, a well-designed op; a well-designed approach where we decided that military action could be taken, could be successful. We set out a set of criteria that included that we wouldn't go unilaterally, wouldn't have United States' boots on the ground. It would have to be a legitimate basis for a United Nations Security Council resolution. We wanted the participation of Arab countries, not just rhetorically but in real ways. And we wanted to see a burden sharing here commensurate with interest. The President worked through, with the leaders of NATO and other countries, a division of labor which worked. We kept up the front end on this, doing unique things that only we could do. No other country in the world could take down a country's defenses in a couple of days – we were able to do that – and then turn the ongoing operations over to NATO. It has been a very successful operation with NATO. We have talked about burden sharing for a long time. We were actually able to implement it here and act in ways that were commensurate with our interests towards a successful outcome.

There are a set of criteria that you need to work through with respect to military action, including a set of allies and partners that you would work with. But also, it needs to be effective.

What I expect us to do in the case of Syria is this: we have organized an effort around the world to isolate and really squeeze the Assad regime.

During the course of the last – whatever it's been – 45 or 60 days, Assad has demonstrated his commitment to repression. He slaughtered people during the holy month of Ramadan. He rejected Turkey and its efforts to push him towards reform. He now has the European Union last week putting in place oil and energy sanctions. That's where 90 percent of their oil exports go to. And he succeeded in making himself a pariah.

I think at the end of the day that the Assad regime – and you can't put any timeframe on it – will not be the governing regime in Syria.

a set of principles that we have laid down on the events in the Arab world since the beginning of the year. [Those principles] are these: that we oppose repression and violence; that we are for – the President laid this out in his speech in May – we are for a set of universal rights and principles: freedom of assembly, freedom of speech, and, third, we stand for reform – economic and political reform.

. . . this question on the “Arab Spring.” Obviously, it's ongoing and it's very country-to-country. It is indigenously driven, *[although]* obviously some broader trends are at work – bad governance, letting people down, communications now possible both in countries and in and out of countries – that allowed these movements to move forward.

The contrast with the al-Qaida – we're talking about Osama bin Laden and al-Qaida – with the al-Qaida narrative is really stark here. And this is a very big blow to the al-Qaida narrative. The people in Tahrir Square and in Tunisia and in Syria and throughout the Arab world were not, in any way, advocating a violent, really kind of no-positive agenda of al-Qaida.

It's also been a blow to Iran. Iran thought they were going to go take advantage of this. I think if you do an analysis right now of the "Arab Spring" and Iran, Iran turns out to have been a very negative. . .

. . . the United States is absolutely committed to the security of Israel. We have been devoted to ensuring Israel's continued qualitative military edge. We have worked with them on important projects there that are very important in the current circumstance, like Iron Dome, which is a protection against rocket attacks. We have very deep intelligence of security cooperation with Israel. So, as a first principle of our Middle East policy, Israel's security is front and center, number one.

There is tremendous uncertainty on each of Israel's borders right now. Obviously, the focus of the government and people of Israel is on working through these issues and dealing with this uncertainty, and we have to acknowledge that uncertainty as we work with Israel on its security.

The Egypt-Israel relationship has been a pillar of Israel's security [*for*] over 30 years. We have been working with both sides to try to do everything we can to preserve that.

We have been very clear with the Egyptians on their obligations [*to moving toward elections*]. We've also been very direct with the Egyptians with respect to the importance of maintaining its international agreements, including its agreements with Israel, which are really pillars, again, of security there.

. . . there are simultaneous multiple revolutions going on. There's a very serious security situation in the Sinai, for example, that has really become difficult to handle in the wake of the events in Egypt over the last six or seven months. We've been focused on this, and we've asked the Egyptians to focus on really dealing with it.

. . . conversations like I have with my Saudi counterparts – that we've had a relationship for 70 years. It is based on a set of shared strategic interests that include the following. Not having a nation or some other group get a dominant role in the region. We have a shared interest in counterterrorism efforts. We have a shared interest in global growth and economic growth. We have a shared interest in secure and stable energy supplies, among others.

We have pushed through, during the course of this [*the Obama*] Administration, quite a bit of change. We have focused on, as a principal strategic priority, renewing and restoring United States' prestige, power and authority in the world, which went through a period of diminution. This is not a partisan comment, because there were a lot of reasons for it. We were tremendously invested in Iraq, and there was a tremendous amount of capital spent, as well as blood and treasure, but political capital around the world. We had the global financial crisis in 2008. And, there's a dynamic in international relations, obviously, that moves against a dominant power. We were dealing with all of those issues simultaneously.

We're focused on enhancing our great-power relations, deepening partnerships with emerging powers, and rebalancing our foreign policy, which is where I wanted to get to: the drawdown in Iraq, our renewed focus on Asia, a tightening of our focus, an intensifying of our

counterterrorism effort, and focusing on really kind of the key challenges like nonproliferation. We've got a lot of that done, I think, and are on the right path. We have not been able to move the Middle East peace process as far as we would like to have moved it. It's a difficult set of issues and choices.

Iraq is a sovereign country. Under the understandings that have been put in place, again, by two administrations – the Bush Administration and the Obama Administration – by December 31st, 2011, the United States will complete its drawdown of the troops that we have there now. We are on track to do that. We had 145,000 to 150,000 troops in Iraq when President Obama came into office. We now have about 45,000. Those troops are on track to withdraw from Iraq, and that withdrawal will be complete by the end of this year. On the issue that you raise, like we do with countries all over the world, we will have a conversation with Iraq about the nature of the security relationship that we're going to have with them going forward in terms of weapons systems, in terms of training and assisting and things like that. Those discussions are ongoing.

the Afghan effort was really drifting strategically and under-resourced. We looked at it very hard. We narrowed our goals down to two: that is, ultimately strategically defeating al-Qaida and putting in place a security force in Afghanistan and a support mechanism that wouldn't have it fall completely to the Taliban, providing operational space again for a group like al-Qaida to plan operations against the United States. We surged to aim towards those goals.

The President announced in June that, as he had promised, we now would begin our drawdown. The drawdown would go this way: by the end of this year – well, by the end of next summer which would be September of the year 2012, we will have fully recovered the surge troops. The surge troops number 33,000 troops. Ten thousand of those will come out this year. An additional 23,000 will come out next year, with them out by the third week of September of 2012. At that point, there will be between 65,000 and 68,000 American troops in Afghanistan. We then will set a pace – and the President's speech on this was very clear – that we'll continue a pace of withdrawal in Afghanistan aiming towards 2014, when we will completely turn over the security lead to the Afghans, and the United States' remaining force there will be basically an enduring presence force focused on counterterrorism.

We put in place a system and a process which I think has been really essential to our success in the foreign policy, national security side. And it had these elements to it: One process, the National Security Council process – not competing processes. There were not back doors in to the President. There were not other national security processes over here that compete. One process. And everybody signed up at the beginning to that being the exclusive process by which national security decisions will be made, number one. Number two, that the decisions made would be executed by this group faithfully. Number three, that when you came to the table, you came to the table with a view and the view of your building [*Cabinet department*]. Number four, that I would commit on our side that decisions of each meeting would be published in writing in 24 hours so that people could see what their assignments were and they could object if they disagreed with it so there's absolute clarity at the end of the day. We also fully integrated the Vice President's national security team and our national security team. The same people who briefed the President on Iraq briefed the Vice President on Iraq, and it's a fully integrated deal. So the system is robust.

There really is kind of a community of people in national security who have been in these jobs who understand them and work with each other across party lines. I get tremendous support from my Republican predecessors, from Steve Hadley and Condi Rice and Colin Powell and Brent Scowcroft. I'm in touch with them quite regularly and get very good advice. I wish – frankly – I wish we had the same sense of community and bipartisanship on the political side. There really is a sense of “I've been there, I know what you're dealing with; I disagree with you on some policy issues, no doubt, but at the end of the day we're all about protecting the country and advancing the national interest.”

I see these folks quite regularly, and there really is a community of interest on the national security side, which is, I think, a really important asset for the country. I think in terms of process management, I do think that there's one person who's had the job twice and did put in place kind of this committee system – this decision-making system – in the late '80s that we follow today. That's Brent Scowcroft, who I think did a tremendous job. On the policy development side, obviously Dr. Kissinger is a master of policy development. I deal with him pretty consistently and I've learned a lot from talking to him. It's an unusual community of interest where the politics really do get pushed aside. Again, lots of disagreements about policy but lots of mutual support .

With respect to the free trade agreements, there are three that are ready to go, that have been negotiated and are ready for submission and I expect to pass this fall, that we would like to see passed this fall: Korea, Colombia and Panama. They are very important. Just to spend a minute on Korea, this will be the largest free trade agreement entered into by the United States since NAFTA. It's absolutely critical in terms of creating American jobs and opportunity. It's critical in terms of us integrating ourselves into the fastest-growing economic region in the world.

There are, as you know, developing in the region a number of preferential trade agreements. If we're not integrated, if we don't pursue these kinds of agreements, we're going to be excluded from opportunity. So it's very important. It's important for our export industry and it's important for the creation of jobs. But it's critically important for the kind of efforts that I described earlier in terms of rebalancing. It was our judgment at the start of the Administration that we were under-weighted in Asia, given the importance to the future of the United States. Indeed, Secretary Clinton took her first trip as Secretary of State to Asia at the beginning of the Administration, which was the first time this took place since Dean Rusk became Secretary of State in the Kennedy Administration.

At the start of the Administration, as I said, we wanted to increase our focus on Asia. Part of that obviously has to be China, but it was part of an overall strategic focus on maintaining great-power relationships and getting them right. If you have your great-power relationships in a good place, it's a platform from which you can work to attack problems. If they're not in a decent place, it becomes exceedingly problematic in terms of attacking problems.

We have spent an enormous amount of time focused on China. We have engaged in an intensive way – President Obama and President Hu Jintao have had nine face-to-face meetings. We are deeply involved in a series of other dialogues. We have been working to integrate China into the rules-based system in the world. We have been pressing China on business practices and other

things that are important to our companies and other companies around the world. And we have been working to shape the environment in Asia so that China's rise occurs in a stable and peaceful way. I think the relationship with China has been fairly productive and constructive.

We have a lot of challenges. Economic recovery is critical. The President said in a speech last year that history doesn't really allow for a country to maintain its international primacy without maintaining its economic vitality. Put simply, there's a direct relationship between our strength at home and our strength abroad. Revitalizing our economy is absolutely critical.

We've made tremendous progress with respect to al-Qaida. We judged at the end of 2010 that al-Qaida was in the worst shape they'd been in since 2001. We took a big blow against them in May with the Osama bin Laden operation. We've taken a number of steps against them since, but it's still a threat. In general, you worry every day about the dispersion of the means of violence and technology. That's where our nonproliferation agenda is so important.