

THE BROOKINGS INSTITUTION

MEET THE PRESS AT BROOKINGS:
WHY THE WORLD NEEDS AMERICA

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Introduction:

STROBE TALBOTT
President
The Brookings Institution

Moderator:

DAVID GREGORY
Anchor, *Meet the Press*
NBC News

Featured Speaker:

ROBERT KAGAN
Senior Fellow, The Brookings Institution

Discussant:

DAVID BROOKS
Columnist
The New York Times

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PROCEEDINGS

MR. TALBOTT: Good morning, everybody. I'm Strobe Talbott. It's my great pleasure to welcome you here to another installment of *Meet the Press* at Brookings with David Gregory. Martin Indyk, who is my friend and colleague and the vice president and director of our Foreign Policy Studies Program, and I are very, very grateful to you, David, for bringing your talents and the *Meet the Press* brand to what we value very highly as a partnership between your show and our institution.

We're also delighted that David's mother, Caroline Surtees, could be with us today. We like to think that we're family friendly here at The Brookings Institution and we're also friendly to the diplomatic corps, which is represented here by Ambassador Hafstrom of Sweden.

Another thing about Brookings is that books are a very important part of what we do here. They're an important product of the intellectual work that goes on at Brookings and they're very important to the impact that is part of our motto, which is quality, independence, and impact. The author of the day, Bob Kagan, who is a senior fellow in our Foreign Policy Program, has a high-impact mind and he's had a high-impact career.

He has made a point over the years of writing some big books on big topics. The example that comes to my mind, because I have

read it and learned a lot from it, is called *Dangerous Nation*. It is the first of what will be two books under that overall title, and it's essentially a -- how shall I put it? -- a history with a point of view of American foreign policy. I would describe it as a robust and very compelling advocacy of the proposition that, quite to the contrary of what John Quincy Adams once said, Uncle Sam actually does go abroad in search of monsters to destroy.

Now, Bob also does little books on big topics, or at least short books. And *The World America Made* focuses on the current debate over whether the United States is or, as he strongly believes, is not in decline. And it has been the subject of a great deal of press attention as well as getting some attention from the President of the United States, as I think all of you are aware, from stories that appeared both pre and post the State of the Union message.

Joining us for a discussion of Bob's book is David Brooks. Like Bob himself, David is no stranger to big ideas, to clear and fresh thinking, to muscular writing, and he's no stranger to The Brookings Institution. He's a good friend personally of many of us here and he's been a good friend to the institution. It was about a year ago that he came to this podium to launch his book, *The Social Animal*.

But now I'm going to turn the proceedings over to David

Gregory.

MR. GREGORY: Thanks very much, Strobe. This is a fascinating topic today on the question of why the world needs America, America's role in the world. And I think a question of whether America is in decline, that is not just the question that's debated in intellectual sessions or in books such as Bob's. I think it's very much a part of the national debate and certainly the political debate in this country.

You know, we measure, as we look at polling data, whether the country's on the right track or the wrong track, and that's such an important indicator of where independent voters are and how an incumbent President is faring in a re-election campaign. And the reality is that as we go through recession and weak recovery in the immediate post-war phase of Afghanistan and Iraq, there is a lot of pessimism throughout America. Economic growth is flat. There's so many problems in the world. The notion that we fought wars to victory is really in doubt. The outcome in Iraq and Afghanistan remains very much uncertain. So there is a sense of pessimism about whether -- for many Americans, whether their children will indeed do better than they have done in the next generation.

So all of these questions I think become very accessible, and the President has taken this question head on. And as I introduce

Bob to sort of talk about what you'd say is the overarching point of the book, the President in his State of the Union address says, "Anyone who tells you that America is in decline or that our influence has waned doesn't know what they're talking about." Is he summing up what your book is about?

MR. KAGAN: Well, actually, he's summing up what about one-fifth of the book is about and, you know, this is what happens sometimes. And I owe it to the great Leon Wieseltier, the literary editor of *The New Republic* who selected this part of the book, the we're not in decline part of the book, to excerpt in *The New Republic*, which then found its way somehow into the President's office.

And I'm happy to talk about that, but I must say the reason I wrote the book was my concern that whether or not we are in decline. People -- and I mean everybody, not just pundits, intellectuals, policymakers, but the average American -- I felt was a little bit complacent about the idea that the United States was ceasing -- would cease to be able to play the role in the world that it's played.

And so the purpose of the book is to examine, first of all, what are the remarkable -- and I think they are remarkable -- qualities of the international order today that we tend to take for granted? The incredible widespread of democracy; there were 10 democracies before

World War II, there are 115 now. The actually remarkable era of prosperity that we've enjoyed since 1950, even notwithstanding the current recession; unprecedented global GDP growth. And finally, the absence of great power conflict, which there have been plenty of wars and plenty of devastating wars, but we haven't had the kind of seismic great power conflict that we saw in World War I and World War II, and saw frequently in previous centuries. So there is this remarkable world order. And what I seek to demonstrate is this order actually is very much the product of American power, very much the product of certain unique qualities that the United States brings to the world, not all of which have anything to do with virtue, some of which are just geographic: the fact that the United States is alone in a hemisphere and other great powers are surrounded by other great powers; that the United States is actually irreplaceable in this regard. So if the United States does decline, you get a different world order or you get disorder.

So that was the main thrust of my book, but I felt I had to address the question because I think people would say, well, whether that's true or not, we're in decline. So what are you going to do about it? So I tried to push back a little bit on the notion that we're in decline mostly by pointing out that our -- I would say one of the larger arguments I make is that our perception of our past is very nostalgic and rosy. We somehow

think that it used to be the case. And, in fact, this is what people say, we can no longer tell the world what to do. And as you look back on any decade since World War II, I don't know when that was, even in the first decade after World War II, we suffered substantial strategic setbacks, had our influence limited in substantial ways in many parts of the world.

So if you ask, are we in decline, you have to say, in decline from what? What's the baseline? And in my view, there's nothing particularly about the current system international order that has us in any weaker position than we've been in in the past.

MR. GREGORY: Then you would argue what is the central fallacy of those who would argue that we're in a post-American century, or as Thomas Friedman has written, you know, that used to be us. That across the board, from education to economic output to global leadership, that we are not what we were and, therefore, are less capable on the international stage when other countries, like China for instance, are making more advancements.

MR. KAGAN: Well, I mean, there's the question which I'm sure David will also get into of, you know, are we the country we were in many respects at home? Is our, you know, is our society the same as it was? Is our initiative the same as it was? I think those are important questions. But looking at the issue geopolitically and saying which power

wields the most influence in the world, I don't happen to think that the rise of the rest, which is what the post-American world is about, really necessarily impinges on America's power.

China's rise certainly can. But one of the things that I try to emphasize is China faces enormous obstacles to become even close to being a peer of the United States, not the least of which is it is surrounded by great powers, all of whom are themselves dynamic, especially India, and all of whom look to the United States for their ultimate sort of security dependency.

And so China -- and not to mention the internal problems that China has. When I look at the other rise of the rest -- India, Turkey, Brazil, South Africa -- does their rise really cut against American influence? You know, if you think about the Cold War, Germany and Japan both rose. There was a much bigger rise of the rest then. That actually benefited the United States. So these are questions I think you need to look at a little bit more analytically. It's not enough to say look at how the others are rising.

MR. GREGORY: So, David, if I understand Bob right, if the question is, is America in decline, his answer is that's the wrong question. You don't think that's the wrong question.

MR. BROOKS: Yeah, well, first, I'm going to make that

argument. First I want to say my first reaction when I got Bob's book was the amazing design similarity to Jay-Z's book. (Laughter) And I thought it was actually shameful of Bob to rip off Mr. Z. I imagine young rappers all across the world picking up this book and going, you know, American hegemony? What's this crap?

MR. KAGAN: Would that that were the case, yeah.

MR. BROOKS: Second, I'm going to -- I fundamentally don't think we're in decline but I'm less confident on that position than I have been for the rest of my life. So I'm going to emphasize the negative on the supposition that if Mitt Romney can go around the country saying things he doesn't believe, I can do it, too. And so I think you could make the case that Bob presupposes too much that we have this much of a choice.

And just on a few things. First, spiritually -- and this is I think what's at the core of it when, David, you mentioned the number of people who think we're in decline -- a lot of it is a sense as Tom wrote, that used to be us. That we had the va-va-va-voom. And this was based on a sort of moral materialist eschatological drive that America had from the 17th century onward and somehow we don't have that work ethic and the Chinese have that work ethic.

And then the second thing is just sheer materialism. Oswald Spengler got almost everything wrong, but the one thing he got right, he

said to the Europeans, you can afford to have a welfare state or you can afford to be great powers. You can't afford both. And the Europeans chose the former and you could argue we're in the process of choosing the former.

And then finally, the leadership class in the era when we really did project power in the different areas, when we did, we had a leadership class raised on certain Roman virtues and they thought of themselves that way. Now we don't have that leadership class. In fact, we have a divided class. So every time -- a divided leadership class, so every time one party tries to do something sort of grandiose, the other party, no matter what it is, opposes it.

And so I'd say, just to start off on, those are three. The spiritual, the sheer debt problem, and then the leadership class problem all inhibit the sort of policy that Bob's trying to articulate.

MR. GREGORY: Well, since I sort of take a historical look at most of these questions, the question that I always ask, and it's not -- it doesn't answer itself, but it does bear asking, what's actually new? So let's just start with your last point. The elites have frequently been divided about foreign policy. In fact, the story of American foreign policy history is of elites clashing. And if you'd simply look at the rise of the Theodore Rooseveltian approach to world greatness, that sparked an equal and

opposite reaction of anti-imperialists, there was a real war going on between Republican and Democratic parties until Woodrow Wilson created the synthesis of the two and then got destroyed. I mean, we're not going to look at the 1920s and not see the same kind of elite warfare over foreign policy. In fact, theirs was much more dramatic and I would argue devastating when Wilson goes off and signs the Treaty of Versailles. It's defeated by Republican senate on almost entirely partisan grounds. So, you have to ask what's new in this, and, by the way, that led to a great disaster in the 1930s, so, I'm not saying we can't lead to a great disaster, but we somehow came out of that disaster. So, that's one issue.

Then the question that's more complicated for me is clearly, we are having difficulties addressing, for instance, the fiscal crisis. We're also having problems of if it's true that we don't have the as you say va-va-va -- is that Tom's or yours, va-va-voom?

MR. GREGORY: I think it's actually Greta Garbo or no, it's -

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MR. KAGAN: Va-va-voom or va-va-va-voom. Anyway.

(Laughter) Anyway, I am interested, and this is something that has not been done and maybe you're just the guy to do it or maybe you'll tell me I'm the guy to do it, I'd love to know what the actual correlation between that reality is and the ability of the United States to continue (inaudible). I

think one of the things that's happening right now is because we're generally depressed about the state of America, we assume that that somehow translates into global decline. I'm not sure that's necessarily true. It could be true, but I don't see what the exact correlation is. If we are unable to solve our economic difficulties which produces a further economic crisis which requires politically further cuts in our defense budget, that's how I see the correlation. But there's no rational requirement for that to be true because as I'm sure you'd be the first to acknowledge, our defense budget is not our fiscal problem; our fiscal problem is entitlements and other things. So, you don't have to be taking money out of the defense budget, you don't have to be taking money out of the foreign affairs budget. We can afford our foreign policy. It's only the perception that we can't afford it that is leading in a potentially dangerous direction.

MR. GREGORY: Yes, but if people feel their wages are stagnating, they're going to be much more hesitant, you're going to get exactly the nation-building at home argument. It's going to become stronger and stronger, and what you get is sort of a dumbed-down Huntingtonianism where it's well, there's nothing that can be done for those people anyway.

MR. KAGAN: Nothing done, we don't believe, overseas.

MR. GREGORY: Which is essentially the we want to take care of ourselves, we're feeling economic anxiety, we're feeling a general loss of self-confidence, and, so, let's not venture out.

MR. KAGAN: And I understand that impulse and we have had that impulse in the past, especially in the 1930s, but we have not really had that impulse since then unless now we've really reached a totally new situation because, and it's interesting, look at the polls on should we attack Iran if they get a nuclear weapon? In the middle of all this war weariness, we never want to get into another war. James Traub is writing it's the end of American intervention. If I had a nickel for every time somebody wrote that over the last 25 years, I'd be a very wealthy man. And, yet, a majority of Americans still favor -- and everyone knows if you ask anybody inside any of the campaigns, if Obama were to use force against Iran, the election's over. That's what people think. It would be over. He would win the support of the American people overwhelmingly. So, everything is true except as far as the American people are concerned, we could be in another intervention within the next year.

MR. GREGORY: Yes.

MR. KAGAN: So, I'm just not persuaded that we have necessarily moved into a brand-new era in the way Americans think about foreign policy.

MR. GREGORY: Well, let me jump in there because I want to sort of break this down between the military, the economic, and the political, and I want to start with kind of the military order, and on that point, is not the experience of Iraq and Afghanistan most recently a challenge to the notion of American exceptionalism in a sense that we have an exceptional ability to influence the international order?

David, start on that.

MR. BROOKS: Well, I guess, I mean, there are two things to learn from Iraq; one is the increasingly power of asymmetric warfare, that we have all these carrier fleets floating around, but if (inaudible) can derail us, well, that's sort of a problem for any great power.

And then the second is just the sheer belief in our ability to get things done. And I supported the Iraq war as much as Bob, but the way it was conducted, it was still shocking for me and still caused me to take a much more modest and humble sense of what could be accomplished simply because foreign countries are much more complicated, our ability to control events is much more complicated, our ability to get a good intelligence is much more complicated, and that Iraq aftereffect both in the asymmetric warfare and just in people having confidence that we can achieve these things given the complexity of the world, it seems to me both of those are spillovers from Iraq that I'd like to

hear Bob deal with. (Laughter)

MR. KAGAN: Well, I'll deal with them by saying again, what's new? If you go back and look at the Philippine war, I know you all wanted to talk about the Philippine war and --

MR. GREGORY: I have that in my notes actually.

MR. BROOKS: That was his next question.

MR. KAGAN: It's really quite remarkable. We went through exactly the same cycle in the Philippines that we went through with Iraq. We went up there, we thought, A, that we would be greeted as liberators and this would just be fantastic. We, after all, did liberate them from the brutal Spanish tyranny that they were under. Then the insurgency crops up and we're dealing with the insurgency by having a relatively big standing force trying to build hospitals. That's what they were doing. And then we discovered that that somehow wasn't helping and then we developed counterinsurgency tactics which, by the way, included some brutal methods that we all know about, and ultimately put down the insurgency, but, boy, it left a bad taste in the American people's mouth and they never wanted to do it again until five years later, they did it again in the Dominican Republic and half a dozen other places.

Vietnam, what did we learn in Vietnam other than our power of military power doesn't accomplish anything, we're ill-equipped to deal

with this kind of -- and, arguably, we were, okay. And I think if we would remove ourselves from the partisanship of Iraq, which really does color the discussion to a very large extent, ultimately, the U.S. military was remarkably successful in Iraq. I mean, yes, the surge actually worked and we had a fairly specific situation in Iraq, which allowed the president to, I think, prematurely pull out all the troops. Now, we'll see what happens, but is that going to be marked down as a failure of the American military? Probably not. In fact, we feel it is -- it may be temporary. Again, the question is: What is the lasting effect? If you had asked anybody in 1975 will the United States ever send troops anywhere ever again, you would have been just as on firm ground making the argument then as you are now, which is to say not firm ground. (Laughter)

MR. GREGORY: See, my sense is everything I say, Bob is going to say John Haas sat here at Brookings in 1897, and he said the exact same thing and he was wrong. (Laughter)

MR. KAGAN: Well, I'm sorry to complicate the issue.

MR. GREGORY: But you could say, and now I'm going to switch him to Fareed Zakaria. You could say that in that time, okay, Philippines, trauma, World War I, World War II, Vietnam, the U.S. will still ascending as a share of world GDP, there was still not the other countries around, but now, this is different than those historical examples because

now China and India is around and we're not ascending anymore as a share of GDP, we're declining a bit. And, so, it's different.

MR. BROOKS: Well, isn't it also different, I mean, take a conflict like Syria. And I remember my father called me and he was horrified at this notion of massacre on this scale and that the world seems sort of impotent to do anything about it, but, in fact, a multipolar world, including the dynamics of the U.N. Security Council mean that Russia and China can stand in the way, which goes back to the question of whether that level of influence is what it was or as your point, Bob, that it simply goes in cycles.

MR. KAGAN: My point is simply that it goes in cycles and not only that, but the U.N. Security Council is deadlocked. The U.N. Security Council has been deadlocked almost since the day it was born. There was a brief moment when we thought oh, wow, you can go to the U.N. Security Council and get resolutions. That moment has passed on many of these issues, although they did get one on Libya, remarkably. But then the question is now and I see even liberal internationalists are saying well, if we can't get a U.N. Security Council resolution, we'll go do this with the Arab League, et cetera, et cetera, and I have to say if you wanted to ask me to bet what are the odds that we may wind up using some kind of military force as part of a NATO operation, as part of some

deal with the Turks, it's not zero. It's probably significantly higher than zero at the end of the day, and, by the way, we are backing into intervention in Syria the way we have backed into every intervention of the past 25 years. When the president of the United States says Assad must go, that carries implications which we are now watching unfold. Anybody who remembers Bosnia, anyone who remembers Kosovo, anyone who remembers Somalia and anyone who remembers Haiti, by the way, all of which could be examples of why we should never do this again, and, yet, we keep doing this again. (Laughter)

MR. GREGORY: I mean, there are two things, David, there's this question of global attitudes about America's influence and righteousness, but also this question of our ability as a country to influence the outcome of affairs. Do you accept Bob's argument about this?

MR. BROOKS: Well, I think we probably differ on how much ability we have. I mean, since Iraq, I went back to my Niebuhr, my Oakeshott. There's a school of conservatism which goes back to Burke, which is intention, I think, with a bit of Bob's school, which is based on the notion of fiscal modesty. You just can't know much about the world and, therefore, you should be very cautious and incremental in what you can do. And this is not pacifism; it's just an Eisenhower sense of stewardship more than maybe a Reagan sense of democracy promotion. And that

Eisenhower sense is around in the world. The older I get, the more I like Eisenhower. It's mostly in the Democratic Party these days, actually. The Democratic Party has been more an Eisenhower party --

MR. BROOKS: But there is that distinction about whether America should be a place of kind of pragmatic incrementalism or more activists on the world stage.

MR. KAGAN: Well, I don't have time to untangle all of these because, first of all --

MR. GREGORY: Oh, we'll make time.

MR. KAGAN: Okay. (Laughter) I mean, the affection for Eisenhower, to me, remains astonishing other than that he didn't get us into Vietnam seems to be his number one claim to fame in the world. Now, if you really want to go back to a foreign policy which consists entirely of overthrowing other leaders, including democratically-elected leaders, which our presidents now have to apologize for every four or five years, whether it's Mosaddegh in Iran or Arbenz in Guatemala or threatening nuclear war every time somebody does something you don't like. If that's the foreign policy we're looking for, good luck.

I don't consider Eisenhower a great model of stewardship, and one of the things that he did do brilliantly, which I recommend every president should do, is kick all the really big problems onto a successor.

(Laughter) Eisenhower, by refusing to go along with the Geneva Accords, left Vietnam out there as a festering sore that the next president was going to have to deal with and he put together the plan to overthrow Castro, but let Kennedy carry it out. I'm sorry, just don't Eisenhower me. (Laughter)
And now --

MR. BROOKS: Well, I'll leave that --

MR. GREGORY: Well, I would say there are some points where you shouldn't push it off to your successor. I once did a story about buying a castle in France, and the best bit of advice I got was leave --

MR. BROOKS: Autobiographical?

MR. GREGORY: It was leave dredging the moat to the next generation (Laughter).

MR. BROOKS: Yes.

MR. GREGORY: Sometimes, that's actually a good strategy. Maybe Kennedy should have tried that with Vietnam.

All right, I want to move on though out of just the world order and conflict in the Philippines, although we could certainly come back to that in the Q and A. (Laughter)

MR. KAGAN: Yes.

MR. GREGORY: But talk about kind of the economics base. I mean, the thing I try to reconcile is that in terms of cultural hegemony, if

you want to make that point, we do have Apple, right? And that technological breakthrough is all American-made, even though it may be manufactured in China.

The other piece of that, I sat down last week with Jeff Immelt of General Electric and Andrew Liveris of Dow and Jim McNerney of Boeing and they were all making the point that it used to be if you won America, you won the world, and that's no longer the case. I mean, our big companies, our big manufacturers are increasingly trying to win the world where that is the battleground and U.S. demand because of slow economic growth is falling farther and farther behind. They're having a lot of difficulty attracting engineers, dealing with a broken educational system. So, in terms of America's economy in the world, what is the case to say that we are not in decline?

MR. KAGAN: I have to get out of the mode of trying to deny every point that everyone's made so I will not try to do that here. I think the only honest answer; honestly, the only honest answer is we don't know.

The reason I say that is we have gone through this perception of being overtaken many times. It wasn't so long ago that it was the Japanese who were certainly going to eat our lunch economically and James Fallows wrote books and other people wrote books about the

superiority of their model and they bought Rockefeller Center and it was over. And the famous line is the Cold War ended and the Japanese won. And now it's like hysterical, right? People are laughing and now I hope the Chinese buy Rockefeller Center, too, by the way. (Laughter)

So, I just want to say we've been through this perception before and I don't know what the answer is. I don't think anybody knows what the answer is, whether the United States will regenerate itself. I would argue, however, that in the depths of a long recession is not necessarily the time to ask that question. We are all suffering from economic difficulties now. That's what's shaping the mood about everything, but let's at least be aware that we are there, unless we expect to be in a recession for the rest of eternity, we will have a different perspective, I guarantee it, when we pull out of the recession.

But, yes, China is increasingly important as an economic player. When you're talking about the rise of the United States or the decline of the United States, you do have to talk in relative terms. It only makes sense in relative terms. So, you have to ask yourself are the Chinese just simply going to march forward without any difficulties whatsoever? That's an economic question. Again, history has pointed out if you were sitting here in 1987 and Paul Kennedy wrote his famous book on "The Rise and Fall of Great Powers," you looked at the United States,

you look at the Soviet Union, you saw two countries in total overstretch and gummed up works economically and the only problem was he predicted the wrong power was going to decline and the Soviet Union collapsed and the United States went roaring forward. Other countries have problems, too, and China has huge domestic problems that they are acutely aware of and not to mention, as I have said before, if you're talking geopolitically, infinitely greater strategic problems than we have. We have a relatively easy strategic situation; they have a very difficult strategic situation. You have to lose to somebody.

MR. GREGORY: But the question, David, is it's not relative in a sense of there is an absolute there. I mean, in terms of the world is changing, technology is changing, is the United States economically prepared to compete in the way that the way has change and the way that the world demands?

MR. BROOKS: Yes, here, I can't fake this one. I actually do think we're ready. Don't worry about the economic fundamentals.

Where I would worry, and this is more on how economics translates into power, the E.U. has more economic wealth than the U.S., but the E.U. is a different sort of global superpower than the U.S., in part because it's fractured, but in part because it lacks our creed. And, so, my doubts would be less about raw economic power, about whether the

strength of the creed is strong. When you wrote "*Dangerous Nation*," I go back to Bob's big books. He wrote a book in Latin America that was 47,000 pages, I think, back in the 1980s (Laughter).

MR. KAGAN: That was after the editing.

MR. BROOKS: Yes. That was Cliff Notes.

But the "*Dangerous Nation*" to me, and you wrote the book on this so it goes back to the fact that not only has it been an affluent nation, it's been this creedal nation, the idea of the U.S. is the last best hope on earth, which has universal applications that if inalienable rights are denied to people around the world, somehow, that's a problem for us. And, so, that causes us every five years to go and be bothered by that. I wonder if one could argue that creed, I call it an eschatology, a vision of how the world ends, of how history ends with the universal democracy, I wonder if that creed is not taught as much and is less universally accepted than it used to be, and, therefore, is less propelling as people react to various world crises.

MR. KAGAN: Again, I would just say that could theoretically be true. The evidence is not there yet because we are, in fact, reacting in extremely traditional fashion to what was happening in Libya. I mean, in a way, I feel like we've already a test case. We had Iraq in the 2000s.

MR. BROOKS: Right.

MR. KAGAN: And then Bush was thrown out and they didn't elect McCain and they bought in Barack Obama, and then you were able to tell this joke, which is they told me that if I voted for John McCain in 2008, we would attack another Arab country and overthrow another Arab dictator. And they were right; I wrote it for John McCain, and that's exactly what happened. (Laughter)

MR. BROOKS: Right.

MR. KAGAN: Who would have imagined that Barack Obama, within a year-and-a-half, taking office would be doing this again, but not only, by the way, with support from everybody except the Republican Party, which is typical behavior for opposition parties, but also with enormous worldwide support. I mean, to me, why are we overlooking that particular data point as we look at this? The Europeans after Iraq were begging the United States to get involved. The Arab League after Iraq was asking the United States to use its power in Libya. Doesn't that tell us something?

MR. GREGORY: I want to come back to this competitiveness point though because I think as we talk about the economy, we talk about the fundamentals being strong; that's fine. It's still a question of whether America is as well-equipped as it should be, as it wants to be to compete internationally, educationally, particularly with engineers and scientists and

our ability to adapt technologically.

MR. KAGAN: You answer that question.

MR. BROOKS: Okay, here's my answer. The answer is yes. A, because I fundamentally do think we're still a (inaudible) country. We still have the highest work ethic among most of the world. And, most importantly, economic wealth is generated by the ability to network, to create social networks, to create new forms of corporate and other organization, and we still have a phenomenal ability, we have even today, high levels of social trust so we can form organizations, we can form Silicon Valley, we can welcome people from around the world with relatively little friction compared to anybody else. If you go to a European football match or to a Japanese baseball game, they are acutely aware of what country people are from. If you ask a kid in Seattle where's Ichiro from, he thinks oh, he's American. And, so, we just have that ability and that's going to give us, I think, an advantage.

MR. GREGORY: I do want to address the political class, but I want to get to this question that comes to us via Twitter. Why not push for a combined U.S.-E.U.-China strategy? The U.S. will never find an ally like Europe. United we stand, divided we fall.

MR. KAGAN: I think it's an excellent point and we should be doing it and --

MR. GREGORY: What would that look like?

MR. KAGAN: Well, we and the Europeans are the major representatives of a liberal international order and that is true on the economic front and it's also true on the political front and we're seeing it played out on an issue like Syria or Libya. And China and to a lesser extent just because it's a lesser country, Russia, but fervently Russia are pushing back against this liberal order because they're not liberal. And I think we are actually already seeing cooperation between the United States and the E.U. pushing back on that.

Now, we saw it on Libya, where effectively, the Chinese and Russians were shamed into going along with it. I think the Chinese themselves are currently looking a little nervous about the position they're having in Syria. So, we are doing that. I think we need to do it more on the economic issues because on the issues that are of greatest concern to us, like international property rights, et cetera, if we were doing it together with the E.U. instead of competing with each other, which is a natural phenomenon, but if we were more cooperative, we could push back on that. But our basic interest is in maintaining a liberal order against a rising power that has a tendency to push against it.

MR. GREGORY: Why couldn't they say well, you guys have this liberal economic order and both your regions, you have high

levels of democracy and voters are unwilling to accept the consequences of their choices, and as a result, you're swallowing in debt and falling apart and you see Greece and you see what's about to happen here. So, why should we follow your orders? The prestige of our order diminished in their minds.

MR. KAGAN: It certainly is diminished in their minds, but the question is what are the Chinese -- where do the Chinese want to go? It's an interesting phenomenon because of course the Chinese have made themselves wealthy in our order, right? And the interesting conundrum is as they get stronger and stronger, do they maintain this order or do they begin to shape it in a way that looks more like them, and thereby destroy it?

And so, I think that our goal ought to be to continue to say, no, let's be successful in this order rather than distort it in the way that you, unfortunately, are going to distort it, and that's where I think the United States and the EU can contribute.

By the way, for all of the attractiveness of the Chinese model, I don't see many other countries attempting, actually, to copy it. The only people who think about copying it are other autocrats, and it's not something that most people are choosing. They'd like the money but they don't want to pay the price in terms of personal freedom to get it.

MR. GREGORY: I want to ask another question about our economic stature in the rest of the world, and it focuses on America's debt crisis. And David, it gets to your column today, which I thought was very compelling, which is -- the headline was, "We Are Europe."

The argument right now is about the need for austerity in America to address a debt crisis, and then we see the real world example of austerity in countries that have tried it in Europe where it does not seem to be a friend of economic recovery.

MR. BROOKS: Well, I mean, if you went upstairs and asked the economists here they would have their consensus, which is we should not do austerity now but we should commit to serious austerity once the economy recovers. That would be pretty much a consensus. I sort of agree with that.

The question is whether we'll ever commit to that, and that's a two-part question. One is do we know how to do it? Do we know how to control healthcare spending? I think we probably do not know the answer to that question. And second, are we willing to commit to it? And I would say the answer to that is, no. I think the lack of social trust -- and here's an element where social trust does kick in -- where if you ask people to sacrifice they think, well they're just asking me to sacrifice, I'm going to get screwed because everyone else will not be sacrificing and, therefore,

that's a severe problem for our political order.

And so, I think we're going to have a fiscal crisis of the Greek sort sometime in the next X-number of years. I remember asking an economist in the White House, do you think we'll get serious about our fiscal situation before we have a crack-up? And he said, nah, I don't really think so. And so I said, well, how big will the crack-up be? Will it be like Greece, Venezuela, or the climb and fall of the Roman empire? And he said, well, probably worse than Greece, not as bad as Rome, somewhere in the middle there. (Laughter)

I said, I sort of think we have a -- I'm very optimistic long-term. I think we're in for a rough decade.

MR. GREGORY: And that gets to the deficiency of our political class in America. The way I've summed it up is, do we have a political class that's too small in relation to the challenges we face?

MR. KAGAN: We always have a political -- almost always have a political class that's too small. I mean, the giants among us -- I think you have to go back to the founders, really, to find giants, and I'm not sure most of the rest of the history shows up a lot of giants.

And I have to say, unlike many foreign policy experts or people who do foreign policy, I'm not going to also try to pass myself off as a domestic policy expert because I don't know how to necessarily address

these problems. I do think, in my amateurish way, that we've had a weird political cycle where the President was elected in one kind of atmosphere and has been forced into having to deal with a different kind of problem. He was elected to get us out of a recession but then things turned and it became about the fiscal crisis. So what I'm hopeful of, what I'm optimistic about, is the next election produces either a second term Obama or a new President who will then presumably have some kind of mandate to deal with this crisis more effectively.

One of the amazing things about the American political system -- I'll just say this -- the founders created it to be clunky. I mean, it was deliberately a set-up so that you couldn't make radical change very easily, and so we are constantly dealing with the clunkiness of our system. And yet, periodically they have what are called, you know, critical elections, realigning elections. I'm not even sure they have to be realigning, but the election produces the possibility of finally breaking through the logjam.

You know, we could be pessimistic that that's never going to happen and that for the first time in American history we're not going to be able to solve our problems, but it would be really the second time. I guess the Civil War was the other time.

MR. GREGORY: That was pretty bad.

MR. KAGAN: But, for instance, you know, the tariff -- you all

remember the tariff problems, right? That was a classic case of entrenched interest where the parties were locked into a struggle over the tariff and they couldn't solve it and they couldn't solve it, and then eventually they solved it, more or less.

MR. BROOKS: If I could just jump in on this, because Bob's been citing all these historical discontinuities -- or whatever the word is -- but in the domestic sphere and especially in this fiscal sphere there really are discontinuities. So, for example, trust in government. Gallup has, for the last seven years, asked people, do you trust government to do the right thing most of the time? And it's been 70, 80 percent, decade after decade until the '70s, and now it's 11 percent. So, that's a discontinuity.

The second is just our consumption levels. Personal consumption as a percent of GDP, decade after decade throughout the 20th century, at least, was like 40 percent of GDP, personal debt as a percent of GDP. It jumps to 133 percent. That's a huge discontinuity.

And then, the third thing is that every generation has an incentive to push their costs off on future generations and pay for themselves. No generation has done it to the extent that we have, until now. So, these are three things that are actually different than the centuries of the past.

MR. GREGORY: Let's get to some questions from the

audience. We have a microphone, which we will move around. We'll start there. Yes, sir. You can also shout it out.

MR. HERRIOT: My question is for David Brooks. My name is Judd Herriot. I'm a documentary filmmaker. My question is for David Brooks.

You mentioned first that you believe strongly in the degree of social trust we have and the networking powers that we have in our society. Then you mentioned the fact at the top level that such a paralysis will not solve the fiscal problem. Are we skidding on a contradiction there?

MR. BROOKS: No, it depends on what you trust. If you trust your -- we trust our neighbors really a lot and we trust our friends, we're really still good -- the power of association, the power of creating new social and entrepreneurial networks is still incredibly robust.

We don't trust our political institutions so much, so I'd say we still have a high degree of social trust and a low degree of political trust, which may be a problem. Though in some sense, I do agree with Bob on this. I do think that's our historical normal and the period after World War II was the anomaly period.

MR. GREGORY: Meaning that because the power of the individual and our self-sufficiency is distinct from a real backlash, Bob, against major institutions. We have been through that before. I mean,

during Andrew Jackson against the banks and government. Again, is this just historically cyclical?

MR. KAGAN: You know, again I don't know. My prejudice is, yes. That we go through these periods. It's not surprising, as you just indicated, that after getting out of the Great Depression, after World War II, that there would be a tremendous confidence in the ability of government to do things which, you know, lingered on until -- but it was an absurd confidence, right? I mean, it was an overconfidence. But throughout much of American history, as you said, there wasn't that kind of confidence.

Again, I would love -- you know, at some point when we get out of the recession let's have another conversation about this, because when things aren't working it feels like nothing can work, and maybe David is right. And I don't have an argument against some of these cyclical problems, other than to say the United States has, in fact, in the past had to confront serious crises that required sacrifice by the people, and that the people have made the sacrifice.

MR. BROOKS: In one sentence. In the Great Depression, the social reaction was not like it is now. There was an increase in social trust in the Great Depression, an weaving together of the social fabric. It was very different than now.

MR. GREGORY: Yes, sir.

SPEAKER: I'd like to ask Mr. Kagan a question about China-U.S. relations. Something that kind of bothered me during the visit of Vice President Xi Jinping is that the recent pivot that the President has talked about along the Asian Pacific. And quite often, there was almost this kind of dismissive attitude of why are the Chinese kind of paranoid and suspicious about our -- and I found that a bit strange considering you even said today that the last 30 years we've had interventions covertly or militarily in Central America, the Caribbean, Southeast Asia, North Africa, and South Asia and now in recent diplomatic agendas with Vietnam, the Philippines, and so on and so fourth, Australia.

If the shoe was on the other foot, wouldn't the United States be a bit skeptical, a bit suspicious about the intentions of China if we were kind of dealing with the same situation and our foreign ministry was looking out at the world saying, what's really on the Americans' minds? Why are all these things taking place? And in our own recent history, as you mentioned, are these interventions. I think the Chinese have a certain degree of justification of what exactly are we up to in the Asian Pacific region.

MR. GREGORY: Bob?

MR. KAGAN: They have complete justification. I mean,

there's nothing for them not to be paranoid about. We don't say it because we're in a -- you know, we want to maintain friendly relations but they know and we know that we are engaged in containing a certain kind of Chinese behavior, which they consider to be their right. They consider it to be their right to be the dominant power in the region, they consider it to be their right to be in control of the South China Sea, and we are saying, no, you can't.

Now, because there's no absolute justice in the international system, neither of us are right or wrong. And in fact, the only question is -- and this is the question, again, getting back to this argument in the book, which is what kind of world order do we want? We can have a world order where China is the regional hegemony. That would be a very natural kind of world order. Historically, very natural.

I think it would be a much worse order for many more people, including Americans, than the present world order in which they're not that kind of hegemony. And I think the potential costs of moving to that kind of world, both in terms of potential conflict and crises, both in terms of economics, could be very high.

So, it's not that the Chinese are wrong. They're right, but it's our job to try to steer them in the most productive direction for this world order, and what I mean by that is to steer them in the direction of economic

growth and, ultimately, political change.

I'm just going to end by one point. If I were a Chinese strategist and I wanted to say, what is the best way to ensure that we actually can become one of the world's leading powers? I would say, let's democratize, because I think one of the main things that's holding China back today in the world is the fact that it's this kind of autocracy. If China became a democratic country, then we would have -- I would start having a different conversation. They would be a much more powerful -- in my view, I welcome that challenge, but they would be a much more powerful challenge.

MR. GREGORY: Comment, David?

MR. BROOKS: My only comment is, I think Strobe and you, we were in Moscow. At least I was visiting, you were living; Strobe knows this better than I. My memory is that in the '90s we had a debate whether China or Russia was doing it better, and a lot of smart people thought Russia was doing it better. And so, why should the Chinese think democracy is their answer?

MR. KAGAN: The leadership definitely doesn't think that, so you don't have to worry about them. They're not going to be seduced into that argument.

MR. GREGORY: Back to the audience, yes.

MR. MITCHELL: Thanks. Garrett Mitchell, and I write *The Mitchell Report*. I want to ask Dr. Kagan, I went back -- I did what David Gregory does on Sunday, which is that I went back and looked at the last thing you said, which is to say the earlier book, *The Return of History and the End of Dreams*. And that book begins with a sort of Satchel Paige notion of don't look back because the autocrats are gaining on us, and ends with an admonition from both Morgenthau and Nieber about the need to maintain power.

So, in looking at the close of this book, which I really do think is a powerful book, particularly in a genre that has a lot of competitors that are very sort of dogmatic or pedantic or prescriptive, et cetera, you do say that one of the things that we need to do is sort of focus on those three pillars.

I wonder if you could just take a couple of seconds to tell us what that looks like? Why that's important, and what that would do for us at this point?

MR. KAGAN: To focus on the three pillars of military power, economic -- are you talking about the three pillars of the order?

MR. MITCHELL: Yeah. You say, politics, economics, and security.

MR. KAGAN: Yeah. Well, I mean, that's a large question

and I don't know whether I can answer it sufficiently, but this is -- actually, this raised an interesting juxtaposition because over the last two years, I would say, we've been in terrible economic straights, right? China has been humming along, and so by any measure if you were looking at just economics you would say China should be up and we should be relatively down.

But one thing that's happened is that China in the South China Sea and the East China Sea overplayed its hand. It pushed a little too hard, made everyone nervous, and made everyone come -- going to the United States and looking for some kind of support. So that what's actually happened in Asia over the past couple of years is that America's stock has gone up and China's stock has gone down. They may recover, they may get smarter again, but right now that's the situation.

So, to me it's an interesting example of how not everything is about economics, and I would say that what the United States did in this situation -- and I am saying positive things about the Obama Administration on this, which is getting me into all kinds of trouble -- is that we shored up a major -- you know, one of those pillars of the international order. Because imagine if when China presented this challenge, made everyone else nervous, and our response was, I'm sorry, we're nation-building at home; not we're opening a new base in Australia, we're coming

out and being more active diplomatically, we're pivoting in your direction. Our response was a very traditional American response, even in the midst of all this malaise and unhappiness, et cetera, et cetera, and it made a big difference.

And by the way, how we deal with what goes on in the Middle East, how we respond to Iran will make a big difference in terms of this world order. So that's kind of what I mean. I'm focusing on the power element, obviously -- and by the way, don't get me wrong, we need to get our economic house in order as people say and I'm not, you know, sanguine about our ability to do that. But as we do that -- and this is where I think it's important -- we can't neglect this other element of maintaining the international order that we've created.

MR. BROOKS: Can I ask one quick question? Which is Obama loves you, listens to you. Romney you nominally work for or advised. (Laughter) Is this a sign that there's actually less discord on foreign policy than in past elections?

MR. KAGAN: Well, look, I mean, this is the great problem, is that in elections everybody tries to sharpen the differences, and there are differences. And I could easily give a critique of the Obama Administration, starting with they are not pushing back enough on the defense budget issue, which I think is so important. I think they should not

have pulled out of Iraq complete, so quickly. I'm nervous about what they're doing in Afghanistan, et cetera, et cetera.

But that having been said, American foreign policy has been remarkably consistent and it hasn't mattered that much which party was in power, which President was in power, and Obama is proof of that. I mean, just as one detail here, we're coming to the end of this guy's first term and Guantanamo is still open and there's no prospect now of closing it. Now that's not really a foreign policy issue, but it's kind of a foreign policy issue, and you could go down the list. You know, the generally militaristic element of the drone war that he's conducting and his -- and this shift to Asia, this pivot which is very strategic and very traditional.

So, yeah, we get -- the shift is 10 degrees one way, 10 degrees the other way. Sometimes those 10 degrees are really important.

MR. GREGORY: And I think, ultimately, foreign policy comes down to the big decisions that one would take and the other wouldn't. I mean, if Al Gore were President we probably wouldn't have gotten into Iraq.

MR. KAGAN: I wonder about that.

MR. GREGORY: You wonder about that?

MR. KAGAN: I do.

MR. GREGORY: On the other hand, you know, this notion

that somehow this binary choice that it's war in Iran with Republicans and not with this Democratic President. I don't buy that, since I think there's a lot more consistency there.

Sir.

MR. SCHOETTLE: Thank you very much. I'm Peter Schoettle from Brookings, and on a superficial basis it's easy to say where we are. We have the biggest economy, we have the strongest military power, but I'm wondering if the foundation underneath those aren't eroding away in two ways.

One -- and this is an article you wrote, David, maybe two years ago or so, I'm not sure when. Thirties, '40s, '50s, the U.S. had a huge educational lead in terms of the educational level of the American workers. That has eroded. We're now in, I don't know, number 20 or something.

Secondly, our economic basis back then was dominating manufacturing around the world. We were way up there. Now, we dominate software. My question is, that is so quickly changed. Look at MySpace. It was a big deal a few years ago, who hears about it now? Facebook could disappear in a nanosecond five years from now if somebody comes up with something else. So, the foundation for our economic strength, I ask, isn't as solid as it was in the past.

So, don't at least these two trends -- education, the base of our economic strength -- underlie causing concerns?

MR. BROOKS: Yeah, I would say one out of two. There's a great book called, *The Race Between Technology and Education*, by Katz and Golden, and it's on the education point. Our education is still improving but it's not as fast as our technological demands are improving, and other countries have surpassed us. So, I think that is real.

The shift from manufacturing to service doesn't particularly bother me. A, we're still a very strong manufacturing economy. Our total output is flat as a share of GDP. We're really good, we just don't employ people. We just use robots instead of people. But the shift to a more service-oriented economy or a more software economy plays to our strength, not to our weakness.

There's a school of national economics where they take national culture seriously, which most economists are loathe to do, and one of the arguments in this school is that the Germans, for example, are really good at perpetual gradual change. Incremental progress, which is the sort you need if you're going to do metallurgy. What we're really good at is disruptive change. We can create a Silicon Valley out of nowhere, and so if you get software -- if MySpace is disappearing and Facebook is appearing and Facebook is disappearing and Tumblr or whatever is

appearing, then that's something we're good at. And so to me, that's not a source of concern.

MR. GREGORY: Let me do one more question out in the audience. Yes, ma'am, on the corner. Yes.

MS. McNAMARA: I'm Sally McNamara from Georgetown University. It seems to me that the euro cannot continue in its current form, and certainly I expect some sort of collapse or some nations to leave. What magnitude of order of effect do you expect? Do you think it will be a Roman Empire or just something minor? (Laughter)

MR. KAGAN: This is something I think about. I expect --

MR. GREGORY: See, he thinks about things. (Laughter)

MR. KAGAN: We lived in Brussels together, right? You should think about this.

MR. GREGORY: I do think about it.

MR. KAGAN: I wonder, narcissistically, what the effect will have on -- and I do everything narcissistically -- what the effect it will have on the U.S. political debate, because the European model has been a powerful model and whether it's an EU collapse or just a Greek flaking off or just a long period of austerity, the prestige of that model is going to decline. That's the long-term. And then the short-term is just whether -- I mean, my view is the angle of America has more to do with Barack

Obama's reelection than he does. And so, I do think that's the short-term problem.

But the long-term problem is, A, the decline of the European model, and second is just a shift in -- we've noticed this. A shift away from attention of Atlantic attention, toward Pacific attention. That's going faster and faster and faster.

MR. GREGORY: We're going to leave it there. I want to point out that this is *Meet the Press* at Brookings, and from a programming point of view I make decisions on the fly. I was going to talk to Rick Santorum on the program Sunday. I now feel we need to spend a little bit more time with opposing views on the war in the Philippines. (Laughter) The focus on that should be a little more strongly, and then get into some of the politics. (Laughter)

MR. KAGAN: It would be a lot more interesting. (Laughter)

MR. GREGORY: And then after we do that, we'll still get to Rick Santorum, if you're watching on Sunday. Thank you both very much, and the conversation will continue. Thanks. (Applause)

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