Thank you very much. Thank you, Fareed, for that generous introduction, that wonderful introduction.

Like anyone interested in -- in foreign policy, I follow Fareed's columns and writings very closely. We've been colleagues for a long time and his columns are clearly must-reads. They're insightful; they're informative; most of the time they're measured. And sometimes what's most helpful is that he offers us friendly advice; some might even say friendly criticism. But from coming from such a good friend, it's good to get both -- and thank you, Fareed, for all that you mean to the profession, to all that you mean to America, and clearly, what you mean to the Manhattan Institute. Thank you very much for that wonderful introduction.

Thanks very much for having me here. To Roger Hertog, the Chairman of the Board of Trustees of this great institute; Larry Mone, the president of the Manhattan Institute; and to Walt Wriston, the trustee of the Manhattan Institute, for whom this lecture is named. I'm honored to give a lecture named for you, sir. I want you to know that I have several friends who were young bankers for Citibank; and they're now not so young -- because they're my friends, of course -- but they do speak with great admiration for the stewardship that you had there, for the honor that you taught them, for the ethics that you taught them. Many, many people were touched by the time that you were there and continue to be touched by your life. Thank you very much.
I'm very happy to be here in New York. It's important for a government official to venture outside of Washington once in awhile, to get out and to talk to others in the country. And that's what I'd like to do tonight. The President probably said it best when talking about the National Security Strategy that Fareed mentioned. He said, I want to be very clear that this document is going to be written in English, not academic jargon. (I didn't take it personally.) He said, "This is the ... Security Strategy of the (entire) United States. The boys in Lubbock ought to be able to read it." Well, Manhattan isn't Lubbock, but nonetheless it's the spirit that brings me here tonight to speak plainly about some of the great issues facing our great country.

Wriston Lecturers are an eclectic group, but this is the first time, apparently, that you've had a National Security Advisor, and it may seem like a bit of an odd fit. I know that The Manhattan Institute's expertise is not foreign policy, but domestic policy, and particularly there's a great emphasis on America's cities. Yet there is a crucial intersection between what is done here and what I do.

Foreign policy is ultimately about security -- about defending our people, our society, and our values, such as freedom, tolerance, openness, and diversity. No place evokes these values better than American's cities. Here in New York, about a third of the population was born abroad. Across the street from here is St. Bartholomew's Protestant church. Go three blocks to the east from here and there is the Sutton Place Synagogue. Go a couple of blocks to the west, and you'll come to St. Patrick's Cathedral. Over the bridge in Queens, you'll find a Hindu temple. Go uptown a few blocks from where we are and you will come to the Manhattan Won Buddhist Temple on East 57th. And if you keep going north you will run into the Islamic Cultural Center on East 96th.

If you go further up and into the Bronx you will come to a neighborhood that used to be called "Banana Kelly" because it was a mix of immigrants from the Caribbean and from Ireland. And there, a Jamaican-American family raised the boy who grew up to become Secretary of State.

These facts stand as living rebukes to the extremism of the enemies that we face today -- the mindset that prevails in too many parts of the world that difference is a reason to hate and a license to kill. America is proof that pluralism and tolerance are the foundation of true national greatness. And today, 385 days after September 11, 2001, it is clear that our commitment to our ideals is stronger than ever.

The fall of the Berlin Wall and the fall of the World Trade Center were bookends in a long transition period, from the fall of the Soviet Union and the the end of the Cold War until now. During that period those of us who think about foreign policy for a living searched for an overarching, explanatory theory or framework that would describe the new threats and proper responses to them. Some said that nations and their militaries were no longer really relevant; only global markets knitted together by new technologies matter. Others foresaw a future dominated by ethnic conflict.
And some even thought that in the future the primary energies of America's Armed Forces would be devoted to managing civil conflict and humanitarian assistance.

It will take years to understand the full import of the effects of September 11th. But there are certain verities that the tragedy brought home to us in the most vivid way.

Most fundamentally, 9/11 crystallized our vulnerability. It also threw into sharp relief the nature of the threats that we face today. Today's threats come less from massing armies than from small, shadowy bands of terrorists -- less from strong states than from weak or failed states. And after 9/11, there is no longer any doubt that today America faces an existential threat to our security and to our well being -- a threat as great as we faced during the Civil War, the so-called "Good War", or the Cold War.

President Bush's new National Security Strategy offers a bold vision for protecting our Nation that captures today's new realities and new opportunities. It calls on America to use our position of unparalleled strength and influence to create a balance of power that favors freedom. As the President says in the cover letter that he submits -- that submits the document to Congress: We seek to create the "conditions in which all nations and all societies can chose for themselves the rewards and (the) challenges of political and economic liberty."

The strategy has three pillars:

[1] We will defend the peace by opposing and preventing violence by terrorists and outlaw regimes.

[2] We will preserve the peace by fostering an era of good relations among the world's great powers.

[3] And we will extend the peace by seeking to extend the benefits of freedom and prosperity across the globe.

Defending our Nation from its enemies is the first and fundamental commitment of the Federal Government. And as the world's most powerful nation, the United States has a special responsibility to help make the world more secure, to make it safer.

In fighting global terror, we are working with coalition partners on every continent, using every tool in our arsenal -- from diplomacy and better defenses to law enforcement, intelligence, cutting off terrorist financing, and, when needed, military power.

We are breaking up terror networks, holding to account nations that harbor terrorists, and confronting aggressive tyrants holding or seeking nuclear, chemical, and biological weapons that might be passed to terrorist allies. These are different faces of the same evil. Terrorists need a place to plot, to train, and to organize.
Tyrants allied with terrorists can greatly extend the reach of their deadly mischief. Terrorists allied with tyrants can acquire technologies allowing them to murder on an ever more massive scale. Each threat magnifies the danger of the other. Both are threats that must be addressed; and the only path to safety is to effectively confront both terrorists and tyrants.

For these reasons, President Bush is committed to confronting the Iraqi regime, which has defied the just demands of the world for over a decade. We are all on notice. The danger from Saddam Hussein's arsenal is far more clear than *anything we could have foreseen prior to* September 11th. And history will judge harshly any leader or any nation that saw this dark cloud and sat by in complacency or in indecision.

The Iraqi regime's violation of every condition set forth by the UN Security Council for the 1991 cease-fire that Iraq signed on to after losing a war of aggression fully justifies, legally and morally, the enforcement of those conditions.

It is also true that since 9/11, our Nation is properly focused as never before on preventing attacks before they happen.

Now, the National Security Strategy does not -- as sometimes reported -- overturn five decades of doctrine and jettison either containment or deterrence. These strategic concepts can and will be employed when appropriate. But some threats are so potentially catastrophic and can arrive with so little warning, by means that are untraceable, that they cannot be contained. Extremists who -- who seem to view suicide as a sacrament are unlikely to ever be deterred. And new technology requires new thinking about when a threat actually becomes "imminent." So as a matter of common sense, the United States must be prepared to take action, when necessary, before threats fully materialize.

Now, preemption is not a new concept. There has never been a moral or a legal requirement that a country wait to be attacked before it can address existential threats. My good friend, George Shultz, recently put it very well: "If there is a rattlesnake in the yard, you don't wait for" the rattlesnake "to strike before you take action in self-defense." The United States has long affirmed the right to anticipatory self-defense -- from the Cuban Missile Crisis in 1962 to the crisis on the Korean Peninsula in 1994.

To be sure, this approach has to be treated with great caution. The number of cases in which preemption is justified will be and should be small. It does not give a green light to the United States or any other nation to act first without looking to other means, including diplomacy. Preemptive action does not come at the beginning of the chain of effort. And the threat must be grave. And the risks of waiting should outweigh the risks of action.

But to be sure, the President of the United States has no obligation to wait until threats gather and have become impossible to deal with before the United States of American acts.
To support all these means of defending the peace, the United States will build and maintain 21st century military forces that are beyond challenge. We will seek to dissuade any potential adversary from pursuing a military build-up in the hope of surpassing or equaling the power of the United States.

Now, some have criticized this frankness as impolitic. But surely clarity is a virtue here. Dissuading military competition can prevent potential conflict and costly global arms races. And the United States invites -- indeed, exhorts -- our freedom-loving allies, such as those in Europe, to increase their military capabilities.

The burden of maintaining a balance of power that favors freedom should not be shouldered only by the United States -- but by all nations that favor freedom and have benefited from it. What none of us should want is the emergence of a militarily powerful adversary who does not share our values.

Thankfully, this possibility seems more remote today than at any point in our lifetime. We have an historic opportunity to break the destructive pattern of great power rivalry that has bedeviled the world since the rise of the nation state. Today, the world's great centers of power are united by common interests, common dangers, and increasingly and hopefully, common values. The United States will make this a key strategy for preserving the peace for many decades to come.

There's an old argument between the so-called "realist" school of foreign affairs and the so-called "idealist" [school]. To oversimplify, realists are said to downplay the importance of values and internal structures of states, emphasizing instead the balance of power as the key to remaining stability. Idealists emphasize the primacy of values, such as freedom and democracy and human rights in ensuring that a just political order is obtained. Now, as a professor I recognize that this debate has won tenure for many and sustained the careers and the publications of generations of scholars (yours and -- yours truly, included, and Fareed as well). But as a policymaker, I can tell you that this obscures reality.

In real life, power and values are married completely. Power matters in the conduct of world affairs. Great powers matter a great deal. They have an ability to influence the lives of millions and change history. Great powers do not mind their own business and the values of great powers matter as well. If the Soviet Union had won the Cold War, the world would look very different today -- Germany today might look like the German Democratic Republic, and Latin America might look like Cuba.

Today, there is an increasing awareness on every continent that there is a paradigm of progress that is founded on political and economic liberty. The United States, our NATO allies, our neighbors in the Western Hemisphere, Japan, and our other friends in Asia and Africa of -- many of them share a broad commitment to democracy, the rule of law, a market-based economy, and open trade.
In addition, since September 11th the world’s great powers see themselves as falling on the same side of a profound divide between forces of chaos and order -- and they are acting accordingly.

Now, America and Europe have long shared a commitment to liberty. We also now understand that being the target of trained killers is a powerful tonic that makes disputes over other issues look like policy differences -- the policy differences that they are, not fundamental clashes of values.

Russia is an important partner in the war on terror and is reaching towards a future of greater democracy and economic freedom. As it does so, our relationship will continue to broaden and deepen. The passing of the ABM Treaty and the signing of the Moscow Treaty reducing strategic arms by two-thirds make clear that the days of Russian-U.S. military confrontation are over.

China and the United States are also cooperating on issues ranging from the fight against terror to maintaining stability on the Korean peninsula. And China’s internal transformation continues. In some areas, China's leaders follow practices that are abhorrent. Yet, China’s leaders have said that their main goal is to raise living standards for the Chinese people. Now, they will find that if they are to reach that goal in today's world, they will have to depend more on developing China's human capital than on China's natural resources or territorial possessions. That is an iron law of economic liberty.

And as China's population becomes more educated and more economically free, more free to think, more entrepreneurial, less dependent on the government for their livelihood, this will inevitably lead to calls for political freedom, too. The fact is, you cannot expect people to think at work, and not at home.

This confluence -- This confluence of common interests and increasingly common values creates a moment of enormous opportunity. Instead of repeating the historic pattern where great power rivalry exacerbates local conflicts, we can use great power cooperation to solve conflicts, from the Middle East to Kashmir, to the Congo, and beyond. Great power cooperation also creates an opportunity for multilateral institutions, such as the UN, NATO, and the WTO, to prove their worth. That, ladies and gentlemen, was the challenge set forth by the President Bush three weeks ago to the UN concerning Iraq. And great power cooperation can be the basis for moving forward on problems that require multilateral solutions -- from terror to the environment.

Finally, to build a balance of power that favors freedom, we must also extend the benefits to those who do not yet enjoy liberty and prosperity. As the President has said, we have a responsibility to build a world that is not only safer, but better. That has always been the American way: the American flag has stood for power and the American flag has stood for freedom.
The United States will fight poverty, disease, and oppression because it is the right thing to do; and it is the smart thing to do. We have seen how poor states can become weak or even failed states, vulnerable to hijacking by terrorist networks, with potentially catastrophic consequences -- as in Afghanistan. And in societies where legal avenues for political dissent are stifled, the temptation to speak through violence does grow.

We will lead efforts to build a global trading system that is growing and more free. Here in our own hemisphere, for example, we are committed to completing a Free Trade Area of the Americas by 2005. And we're starting negotiations on free trade agreements with South -- with the South African Customs Union. Expanding trade is essential to the development efforts of poor nations and to the economic health of all nations.

We will continue to lead the world in efforts to combat HIV/AIDS -- a pandemic which challenges our humanity and threatens our -- threatens whole societies.

And we will seek to bring every nation into the expanding circle of development. Earlier this year the President proposed a 50 percent increase in U.S. development assistance, but he made clear that the terms were not the old terms. He sais that the new resources will only be available to countries that work to govern justly, that invest in the health and education of their people, and that encourage economic liberty.

We know from experience that corruption, bad policies, and bad practices can make aid money worse than useless. In such environments, aid props up bad policies, chases out investment, and perpetuates misery. We're not going back down that road again. Good policy attracts private capital and expands trade. In a sound policy environment, development aid is a catalyst, not a crutch.

At the core of America's foreign policy, then, is our resolve to stand on the side of men and women in every nation who stand for what the President has called the "non-negotiable demands of human dignity" -- free speech, equal justice, respect for women, religious tolerance, and limits on the power of the state.

These principles are universal -- and President Bush has made them part of the debate in regions where many thought that merely to raise them was imprudent or impossible.

From Cairo and Ramallah to Tehran and Tashkent, the President has made clear that values must be a vital part of our relationships with other countries. In our development aid, our diplomacy, our international broadcasting, and our educational assistance, the United States will promote moderation, tolerance, and human rights. And we look forward to one day standing up for these aspirations in a free and unified Iraq.
We must simply reject the condescending view that freedom will not grow in the soil of the Middle East or the Persian Gulf -- or that Muslims somehow do not share in the desire to be free. The celebrations that we saw on the streets of Kabul last year proved otherwise. And in a recent United Nations report, a panel of 30 Arab intellectuals recognized that for their nations to fully join in the progress of our times -- they will have to have greater political and economic freedom, the empowerment of women, and better and more modern education.

We don't seek to impose our forms of democracy on others; we seek to create conditions in which people can claim a freer future for themselves. We recognize there is no "one size fits all." Our vision of the future is not one where every person eats Big Macs and drinks Coke -- or where every nation has a bicameral legislature of 535 members or a judiciary that follows the principles of Marbury vs. Madison.

Germany and Indonesia and Japan and South Korea and Taiwan and Turkey and South Africa have all shown that freedom can manifest itself differently around the globe -- and that new liberties can find time-honored -- can find an honored place amidst ancient traditions. In countries like Bahrain, Jordan, Morocco, and Qatar, reform is taking shape according to local circumstances. And in Afghanistan this year, a traditional Loya Jirga assembly was the vehicle for creating the most broadly representative government in Afghan history.

And because of our own history, the United States knows to be patient and to be humble. Change -- even if...it is for the better is often difficult -- and progress is sometimes slow. To be truthful, we Americans have not always lived up to our own high standards in this regard. When the Founding Fathers said, "We, the people," they didn't mean me. My ancestors were three-fifths of a man. But slowly, but surely we have become an America that more properly and more completely reflects the great aspirations that the Founding Fathers held. We know from that experience that democracy is hard work. And 226 years later, we still get up everyday and we practice, and we work at it, and brick by brick we get closer to the American ideal.

We have the ability to forge a 21st century that lives up to our hopes and not down to our fears -- but only if we go about this work with purpose and with moral clarity; only if we are unwavering in our refusal to live in a world governed by terror and chaos; and only if we are unwilling to ignore growing dangers from aggressive tyrants and deadly technologies. If we are persistent and patient in exercising our influence in the world, we will serve not only our ideals, but many beyond our shores. And we will truly deserve the tradition and the legacy of Americans who have stood for freedom, for justice -- for many decades.

Thank you very, very much.