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EXAMINING AMERICA'S ROLE IN THE WORLD

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EXAMINING AMERICA'S ROLE IN THE WORLD

THURSDAY, MAY 12, 2016

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 10:01 a.m., in Room SD–419, Dirksen Senate Office Building, Hon. Bob Corker, chairman of the committee, presiding.

Present: Senators Corker [presiding], Rubio, Flake, Gardner, Paul, Cardin, Menendez, Coons, Udall, Murphy, and Markey.

OPENING STATEMENT OF HON. BOB CORKER, U.S. SENATOR FROM TENNESSEE

The CHAIRMAN. The Senate Foreign Relations Committee will come to order.

We are extremely excited about the hearing we are having today. We thank both of our witnesses for taking the time to be with us. I do not think this hearing could come at a better time, when the Nation is beginning more fully to focus on our place in the world. And, obviously, the presidential races that are underway are going to heighten that focus as time goes on.

Both of our witnesses have served in very, very substantial roles in administrations, and have had to deal with the daily crises that occur within an administration. And the Senate Foreign Relations Committee, which is in many ways removed from that, should be a place where we look at those activities and yet are able to have some distance and look at some long-range issues that we need to deal with and just where we are going to be in the world. And so, this hearing is a step in that direction.

Again, I know we are all thrilled to have you both. And, during this hearing, what I would love to hear is, first of all, some of your thoughts with our current crises, everything from Russian aggression to what is happening in the Middle East, to transnational terrorism, upheaval in Europe, the North Korean saber-rattling, and what is happening in the South China Sea.

Second, in light of these events, it is my hope we will explore their thinking as to—your thinking as to what core U.S. interests are. I think that is something that we do not spend enough time focused on, when we begin to take actions.

Third, I would like to get your perspective on the tools in our toolbox that are most effective in accomplishing our goals and securing a future role, whether it is our military, our economic influence, trade, engagement in multilateral organizations and alli-

ances. What is the right balance in using these tools, and what are their costs and benefits?

Fourth, I would love to hear how you feel about our indebtedness at home and the inability to find a solution for the unfunded liabilities that we have and the pressures that that places on our ability to deal with foreign policy and to deal with issues around the world in the most appropriate way.

And then, finally, both of you—I know that both of you are deep policy people and have made great things happen for our country in your careers. You have to have a little politician in you to do what you do. And so, you are very aware of where the American people are today, where they are wondering how much we should be doing overseas, and a lot of focus on what ought to be happening at home.

And so, all five of those are topics that I hope we will address today. Again, I thank you both for being here.

And, with that, I will turn to our distinguished member—Ranking Member, Ben Cardin.

STATEMENT OF HON. BENJAMIN L. CARDIN, U.S. SENATOR FROM MARYLAND

Senator CARDIN. Well, thank you very much, Mr. Chairman. I very much appreciate you convening this hearing.

And I want to thank Secretary Baker and Mr. Donilon for your incredible years of public service. To me, this is a real opportunity, to have you before our committee, so that we can gain from your experience and try to do what we can to make America stronger. So, we thank both of you very much for being here today.

This hearing is titled America's Role in the World. And we certainly have enough challenges. And there is certainly a need for U.S. leadership globally.

When I look at America's strength, yes, I see our military, the strongest military in the world, the best soldiers in command, the best military equipment. But, to me, the strength of America and its influence globally is in our ideals. It is what we stand for. It is the—our standing for democracy and good governance and rule of law. And we look at some of the actions that we have taken. In my years in the Congress, I have been very active in the OSCE, the Helsinki Commission. And I look at that founding principle that a country's security is more than protecting its borders; it is its economic opportunities and its respect for basic human rights. And to me, that has been one of the guiding principles.

When you look at other countries that are flexing their military, to me they will never succeed in accomplishing a more peaceful, stable world, because they do not have the commitment towards democracy and good governance. I look at Russia's engagement globally, I look at what China is doing in its—in the seas, I look at North Korea. They certainly are not countries that are taking on an international responsibility for a more peaceful and stable world.

So, what are the pillars that we should be using? What are the tools, as the Chairman said, in order to accomplish our objectives? And I take a look at this, and I come up with certain pillars that we really need to underscore.

One is we have to work to form coalitions and partnerships. That is not easy. Americans are not always patient. But it is very important to work with other countries with like objectives. And that means that we have more credibility and more effectiveness in accomplishing our results.

I think we need to continue our strong demand for nonproliferation of weapons of mass destruction, particularly nuclear weapons. We must make it clear that the use of our military should be used only when every other options has been explored. That should be the—a matter of last resort.

And, to me, the key pillar—and this will not come as surprise to my colleagues—is that we need to prioritize and support good governance, democracy, and basic human rights, transparency, anticorruption, freedom of the press, the ability to oppose the government without ending up in jail, the freedom of religion. The status of civil societies, to me, is always a good indication on how well a country is doing. Free and fair elections and a government that protects all of its people.

And when leaders fail to provide good governance, we see the consequences. We see the consequences in conflict, where innocent people are put at risk. And we see the flood of displaced individuals and refugees. We see a vacuum, which is a breeding ground for radicalization and recruitment to terrorist organizations. And we pay a heavy price for that.

And just two examples. We are all concerned about the fate of Ukraine. Clearly, the culprit here is Russia and its interference in an independent country. And we have all spoken out, and we have gotten Europe to work with us to try to isolate Russia. But Ukraine has to establish good governance, and they have not been able to do that, to date. And that is going to be critical for their survival.

And then, in Syria, we know that the Assad regime cannot have the credibility. It does not represent all the people. As a result, we have a—not only a civil conflict, but we have breeding grounds for ISIL.

So, to me, a common thread is woven through much of the world's ills as a crisis in governance and an overt willingness to ignore the rule of law. And I really look forward to the conversation we are having today with two of the real champions in the history of America on foreign policy.

The CHAIRMAN. Well, we are all very thrilled to have you. Secretary Baker is, to me, a model of public service, someone that I have looked up to for a long time. And I really appreciate him taking his time to be with us today. I know he has served in the public arena off and on multiple times, with great distinction. Tom Donilon, someone I have gotten to know over the course of the first few years of the Obama administration. And, while I do not know him as well, I know he is highly esteemed, and we could not be more fortunate than to have the two of you here today.

If you would summarize your comments in about five minutes. We are certainly not going to cut you off. I have read your written testimony. And, without objection, it will be entered into the record. So, you can just summarize, if you would, in about five minutes or so, and then we look forward to asking questions.

And if you would start, Secretary Baker, I would appreciate it.

STATEMENT OF HON. JAMES A. BAKER III,
FORMER SECRETARY OF STATE, HOUSTON, TEXAS

Mr. BAKER. Thank you, Mr. Chairman. It is a pleasure to be here for you and——

The CHAIRMAN. Microphone.

Mr. BAKER [continuing]. Oh, sorry—and other distinguished members of the committee. It is a real pleasure for me, needless to say, to be once again back before this committee that I appeared before so many times when I was Secretary of State.

I have been asked to keep these remarks brief, and I will, so that we can spend most of our time talking about the issues that you have articulated.

Let me say a few words, to begin, about America's current role on the world stage, and then suggest an approach on U.S. foreign policy that is best suited for the country.

Let me begin by putting America's place in the world today into perspective. More than 70 years after the conclusion of World War II, the United States remains the strongest nation in the world, not just militarily. We have a dynamic and resilient economy. We do have the most powerful military in the world. And we have the widest array of strategic alliances, ranging from NATO to ASEAN.

Do we have problems? Indeed, we do. Domestically, our economy continues to sag. Internationally, we are losing some of the respect as a global leader that we earned over the course of decades. And as the current presidential election is demonstrating, Americans are losing faith in institutions, from Washington to Wall Street, that have aided our advancement over the years.

At the same time, much of the rest of the world, countries like China, Brazil, and India, for instance, are catching up with us. But that is largely because they have adopted, or are adopting, our paradigm of free markets. And that should not, therefore, be viewed negatively, in my view, but as a positive trend, because it is helping hundreds of millions of people rise from poverty.

Still, it is my view, notwithstanding the fact that we have slipped a little in recent years, that we should remain the world's preeminent leader for the foreseeable future. We should accept that responsibility, and not shrink from it, because if we do not exercise power, other people will. We have simply too much at stake in the world today to walk away from it, even if we could.

Other countries depend upon our leadership. This is most obviously true of our allies in Western Europe and East Asia and elsewhere. But, frankly, even countries that are sometimes anything but friendly seek our engagement. Does that mean we are perfect? Of course not. But in the major global conflicts over the last century—World War I, World War II, and the Cold War—the United States played a historic role in defeating imperialism and totalitarianism.

So, the question is, How should the United States engage in foreign policy? How do we formulate policies that best serve the United States as we begin to approach what many consider to be the end of the unipolar era?

First of all, I want to say that, in my view—and this has been my view throughout my public service, back before I was Secretary of State—international leadership does not involve a choice be-

tween sending in the 101st Airborne or doing nothing. We can lead politically, diplomatically, and economically without putting American boots on the ground.

I believe that the United States should chart a course based on a paradigm that I would refer to as "selective engagement." This approach, which would continue the internationalism that our Nation has embraced since 1945, would recognize that the United States has core interests in the world, and that we should protect them. At the same time, it would also acknowledge the reality that our power is limited. Using selective engagement as a blueprint, we can identify America's vital interests in the world, and then advance them using all of the tools available to our foreign policy, including our many strategic alliances, our economic clout, our diplomatic assets, and, as a last resort, our military.

So, what are those vital interests? Well, they range from combating international terrorism to managing the emergence of China as a global power, and from stemming the proliferation of weapons of mass destruction to expanding free trade. The approach I suggest does not fall easily into traditional categories of foreign policy; that is, either realism or idealism. I think it would contain, and can contain, the best elements of both. And it represents one of our most distinctive national characteristics. We are, after all, a practical people, less interested in ideological purity than in solving problems.

The practice of selective engagement should be informed by what I would refer to as "a pragmatic idealism." While firmly grounded in values, selective engagement would understand and appreciate the complexity of the real world, which is a world of hard choices and painful tradeoffs. This is the real world in which we must live and decide and act with due regard, of course, for our principles and our values. It would require that there be an overriding national interest at stake, particularly if any military action were contemplated.

Such a balanced approach, Mr. Chairman, I believe can help us avoid both the cynicism of realism and the impracticality of idealism. It promises no easy answers or quick fixes. But such an approach does, I am convinced, at least offer our surest guide and our best hope for navigating this great country of ours safely through this precarious period of unparalleled risk and opportunity in world affairs.

I look forward to addressing your questions. Thank you.

[Mr. Baker's prepared statement follows:]

PREPARED STATEMENT OF JAMES A. BAKER, III

Chairman Corker, Ranking Member Cardin, distinguished members of the Committee on Foreign Relations, it is a distinct honor to once again be back before this committee.

I have been asked to keep these remarks brief so we can spend more time discussing global affairs. So let me say just a few words about America's current role on the world stage and then suggest an approach to U.S. foreign policy that I believe is best suited for our nation.

Let me start by putting America's place in the world today into perspective.

More than 70 years after the conclusion of World War II, the United States remains the strongest nation in the world. We have a dynamic and resilient economy, the most powerful military and the widest array of strategic alliances, ranging from NATO to ASEAN. Do we have problems? Indeed, we do. Domestically, our economy

continues to sag. Internationally, we are losing some of the respect as a global leader that we earned over the course of decades. And as the current presidential election is demonstrating, Americans are losing faith in institutions—from Washington to Wall Street—that have aided our advancement over the years.

At the same time, much of the rest of the world—countries like China, Brazil and India—are catching up with us, largely because they are adopting our paradigm of free markets. And that should be viewed as a positive trend because it is helping hundreds of millions of people rise from poverty.

Still, we should remain the world's preeminent leader for the foreseeable future. We should accept that responsibility, not shrink from it. If the United States does not exercise power, others will. We simply have too much at stake in the world to walk away from it, even if we could.

Other countries depend on our leadership. This is most obviously true of our allies in Western Europe, East Asia, and elsewhere. But even countries that are sometimes anything but friendly often seek our engagement.

Does this mean that we are perfect? Of course not.

But in the major global conflicts of the last century—(World War I, World War II, and the Cold War)—the United States played a historic role in defeating imperialism and totalitarianism.

So the question is: How should the United States engage in foreign policy? How do we formulate policies that best serve the United States as we begin to approach what many consider to be the end of the unipolar era?

First of all, international leadership doesn't involve a choice between sending in the 101st Airborne or doing nothing. We can lead politically, diplomatically and economically without putting American boots on the ground.

I believe that the United States should continue to chart its course based on the paradigm I would call "selective engagement." This approach, which would continue the internationalism that our nation has embraced since 1945, would recognize that the United States has core interests in the world and must protect them. At the same time, it would also acknowledge the reality that our power is limited.

Using "selective engagement" as a blueprint, we can identify America's vital interests in the world and then advance them using all of the tools available to our foreign policy—including our many strategic alliances, our economic clout, our diplomatic assets and, as our last resort, our military.

So what are those vital interests? They range from combatting international terrorism to managing the emergence of China as a global power and from stemming the proliferation of Weapons of Mass Destruction to expanding free trade.

The approach I suggest does not fall easily into traditional categories of foreign policy—that is: "realism" or "idealism." It contains the "best elements of both." And it represents one of our most distinctive national characteristics: We are a practical people less interested in ideological purity than in solving problems.

The practice of "selective engagement" should be informed by "pragmatic idealism." While firmly grounded in values, "selective engagement" would understand and appreciate the complexity of the real world—a world of hard choices and painful trade-offs. This is the real world in which we must live, decide, and act, with due regard, of course, for our principles and values.

It would require that there be an overriding national interest at stake, particularly if military action is contemplated.Such a balanced approach, I believe, can help us avoid both the cynicism of "realism" and the impracticality of "idealism." And it promises no easy answers or quick fixes.

But such an approach does, I am convinced, offer our surest guide and best hope for navigating our great country safely though this precarious period of unparalleled opportunity in world affairs.

Thank you.

The CHAIRMAN. National Security Advisor Donilon.

STATEMENT OF HON. THOMAS E. DONILON, FORMER NATIONAL SECURITY ADVISOR, WASHINGTON, D.C.

Mr. DONILON. Thank you very much, Mr. Chairman and Ranking Member, for giving me the opportunity to be here today.

It is a privilege to be here next to Secretary Baker. Secretary Baker is one of the most influential and honorable public servants of our time. The title of one of his books quotes advice from his grandfather, which is entitled "Work Hard, Study, and Keep Out

of Politics." As a country, we are fortunate that Secretary Baker did not heed that advice, in my judgment.

The world today is characterized by an unusually large number of unstable and volatile situations. It is a level of volatility we have only seen twice since World War II. And the volatility and instability is rooted in four broad political trends, which I will describe briefly.

First, there is a systemic breakdown of state authority in the Middle East. Indeed, in the years since the Arab revolutions, beginning in early 2011, a number of Arab states have become out-and-out failed states, from Libya to Yemen to Syria, and a full range of other states have become at different stages of failure. They have lost the ability to control what goes on in their borders, to maintain a monopoly on the use of force, and, as a result, vast ungoverned spaces exist across the region from Libya to Pakistan, creating power vacuums and paving the way for the rise of groups like ISIS. These upheavals have put extreme pressure on important U.S. partners and fueled an unprecedented migrant crisis in Europe, threatening the very integrity of the EU. The primary cause of this breakdown, in my judgment, is a profound failure of governance on the part of Arab regimes over a period of decades. And, Ranking Member Cardin, you described this, I think. This really is the root of what is going on in the Middle East today, a profound failure of governance.

The second trend is the reemergence of great-power competition. For roughly 25 years after the fall of the Berlin Wall, the world enjoyed an era marked by productive and constructive relationships among and between the great powers. None of the great powers regarded each other as hostile or adversaries at that point. That period has ended, in my judgment. It ended in 2014, when Russia invaded Ukraine and annexed Crimea.

A third source of volatility is the global reaction to the profound economic and political transitions underway in China. For years, China and its unprecedented rise has served as an engine of global growth—global economic growth—and, unsurprisingly, then, the recent slowdown in the China economy has had a number of disruptive impacts.

On the diplomatic and security fronts, the United States and China have continued to cooperate on a number of significant issues, like climate change and Iran and North Korea. That said, China's provocative behavior in the South China Sea, including the militarization of land formations, is significantly destabilizing.

The United States and China have to get this relationship right. As Professor Graham Allison, who has testified in front of this committee on a number of occasions, has noted, over history, the dynamic between established powers and rising powers, emerging powers, has—in terms of outcome, most likely has ended in war. This is a classic Thucydides Trap, but, in my judgment, international relations, of course, is not a subset of physics, and our countries' leaders on both sides can avoid conflict through steady engagement and a concerted effort to avoid strategic miscalculation.

The last trend I will mention is the geopolitical impact of sustained low oil prices since mid-2014. The impacts have been vast,

and they have been substantial and will be long-lasting, in my judgment. Oil-exporting nations that lack significant financial reserves, like Venezuela, Nigeria, Iraq, have been severely pressured. And even exporting nations with significant reserves, such as the Gulf states and Russia, have come under serious economic strain. Indeed, just in the last week, we have seen Saudi Arabia announce a major reorientation of their economy.

Some look at this increasingly volatile and unstable environment, and draw a simple conclusion—and I agree with Secretary Baker on this, and I reject this thesis—that the United States and its ability to shape the world are in decline. And again, I flatly reject that notion. The idea that America is in decline does not stand up to any rigorous analysis of our national balance sheet of strategic strengths. No nation can match our comprehensive set of enduring strengths, including a resilient and diverse economy, bountiful resources, a unique global network of alliances, unmatched military strength, a culture of entrepreneurship and innovation, and a long record of international leadership. The extreme pessimism we hear in some quarters, and the general lack of appreciation of U.S. strengths, is not only inaccurate, in my judgment, it is dangerous, because it leads you to poor policy choices.

I will close with just listing four or five challenges for the next President.

First, economic growth. There are not a lot of iron laws in history, but one of them certainly is that no nation can maintain its diplomatic or military primacy without maintaining its economic vitality. Our economy has recovered significantly since the 2008 crash, but continued insecurity—economic insecurity—is fueling calls for retrenchment, which would both undercut U.S. global leadership and weaken our economy. To maintain our prosperity, there are a number of things that we can do, including investing in national infrastructure, defending our edge in R&D, and supporting long—our long-term demographic advantage through a sensible immigration policy. The bottom line here is that the most important national security challenge for the next President is to maintain and extend economic growth and prosperity in the United States.

Second, terrorism. And I will finish up here. We have significantly reduced the threat from al Qaeda, and we are successfully pressuring ISIS in Syria and Iraq. But the overall terror threat has evolved and metastasized. And, frankly, the terror threat has entered a new and dangerous phase. ISIS is moving to an external focus with respect to its threat. It is expanding into other regions, and attempting to carry out attacks in Europe and around the world. The return of foreign fighters to Europe and the attacks on Paris and Brussels have highlighted how unprepared Europe is to address this threat. Despite the transnational nature of the terrorist threat, European responses remain cloistered behind national borders. We must press them to do better. My own judgment is that the failure of Europe to successfully deal with the terrorist threat, in terms of information-sharing, intelligence-sharing, securing the borders, putting appropriate resources against this problem, is a clear and present danger to the United States.

Third, cybersecurity. Every year, Americans rely more on goods and services that are connected to the Internet. These advances

represent a tremendous boon for our economy, but they also increase our exposure to cyberattacks by sophisticated state and nonstate actors. President Obama has asked me to chair a National Commission on Enhancing National Cybersecurity, and we will be putting out a report in December. And it is really a transition report for the next President with respect to a look at this problem for the next 5 to 10 years.

Next is Asia. And my judgment is that the next President should build on President Obama's rebalance to Asia. Our alliance system in Asia remains rock solid, but our allies seek even greater U.S. engagement, as Secretary Baker indicated, in the region, economically, militarily, and diplomatically. Ratifying the Trans-Pacific Partnership, the TPP, which is the economic centerpiece of our rebalance, is central to cementing our leadership in the region.

And last, North Korea presents, in my judgment, the most serious security challenge we face in Asia and the most serious proliferation challenge we face globally. North Korea has undertaken, in the words of one analyst, a nuclear sprint in recent months, seeking an ICBM that could reach the United States with a miniaturized nuclear weapon. In my judgment, the situation in North Korea is on a path to become a first-last crisis for the United States and its allies.

With that, Mr. Chairman, ranking member, I will conclude. I Look forward to your questions.

And again, Secretary Baker, it is a real privilege to be here with you today.

[Mr. Donilon's prepared statement follows:]

PREPARED STATEMENT OF THOMAS E. DONILON

Chairman Corker, Ranking Member Cardin, and distinguished members of the committee: thank you for giving me the opportunity to testify before you today. It is a privilege to be here alongside Secretary Baker, one of the most influential and honorable public servants of the last half-century. Secretary Baker once wrote that his grandfather counseled him to "keep out of politics." [1] As a country, we are fortunate that Secretary Baker did not heed that advice.

This morning I will comment on the strategic context in which the United States must operate today, beginning by highlighting four of the most important macro trends that inform the current strategic environment. I believe that our nation remains uniquely well-positioned to contend with these trends. And last, I will address several specific challenges that we confront at this moment. If we can address these challenges, and I believe that we can, the United States will continue to be the world's leading and most powerful nation for a long time to come.

GLOBAL TRENDS AND CHALLENGES

The world is currently characterized by an unusually large number of unstable and volatile situations. It is a level of volatility we have seen only twice since World War II.

CIA Director Brennan discussed this development in a speech at the end of last year. He noted, "In the past three years, there have been more outbreaks of instability than at any time since the collapse of the Soviet Union, matching the rate we saw during decolonization in the 1960s. . . . This has not just been a period of protests and government change, but of violent insurgency, and in particular of break-

[1] James A. Baker III with Steve Fiffer, "Work Hard, Study . . . and Keep Out of Politics!" Putnam, 2006.

downs in many states' ability to govern."[2] Challenges like these are compounded by the seemingly instantaneous pace of change in today's world.

The current high levels of instability are rooted in four broad trends:

The first is the systematic breakdown of state authority in the Arab Middle East. In the years since the Arab revolutions beginning in 2011, a number of states have become failed or near-failed states. From Syria to Libya to Yemen, states have lost the ability to control those who operate within their borders and to maintain a monopoly on the use of force. As a result, vast ungoverned spaces now exist across the region, paving the way for the rise of ISIS and other terrorist organizations. And these upheavals have put extreme pressure on neighboring nations including Tunisia, Jordan, Turkey, and Saudi Arabia—all important partners of the United States. The breakdown of state authority has also fueled an unprecedented migrant crisis in Europe, threatening the very integrity of the European Union.

As Henry Kissinger observes in his most recent book, World Order, "When states are not governed in their entirety, the international or regional order itself begins to disintegrate . . . The collapse of a state may turn its territory into a base for terrorism, arms supply, or sectarian agitation against neighbors. . . . A significant portion of the world's territory and population is on the verge of effectively falling out of the international state system altogether."[3]

The primary cause of this breakdown is the profound failure of Arab regimes, over the course of several decades, to provide their people with effective and accountable governance. But it also has roots in the external shock of the Iraq War and in the technological changes that led to the communications revolution, which has connected the region to the outside world. This newfound connectivity is what my predecessor Zbigniew Brzezinski has called the "Global Political Awakening"—where "for the first time in history almost all of humanity is politically activated, politically conscious and politically interactive."[4]

Against this backdrop, it might be tempting to walk away from the Middle East and claim that its problems are not America's to solve. To be sure, as President Obama has noted, "we [cannot] take the place of [our] Arab partners in securing their region."[5] But what happens in the Middle East has profound external implications, particularly with respect to migration, terrorism, the proliferation of weapons of mass destruction, and the stable and affordable supply of energy. Turning a blind eye and walking away from our leadership role is simply not an option for the United States.

The second broad trend we face is the reemergence of great power competition.

For roughly 25 years after the fall of the Berlin Wall, the world enjoyed an era marked by generally constructive, productive, and non-hostile relations among and between the important world powers. During this time, the United States made a serious effort to integrate our former adversaries into a rulesbased international order. That period ended in 2014, when Russia, among other things, seized Crimea and invaded eastern Ukraine.

The reemergence of great power competition is rooted in Mr. Putin's return to the Russian presidency in 2012. I recall meeting with President Putin on the eve of his inauguration; even then, it was clear that he intended to take Russia in a different direction, both domestically and in terms of foreign policy. Putin's return has brought about a level of repression in Russia not seen since the Soviet era, and his decision to wage hybrid warfare in Ukraine has profoundly destabilized Russia's immediate neighborhood. Russian foreign policy is now defined in large part by opposition to the West.

Mr. Putin's actions stem from a combination of domestic political calculations, a failing economy and poor demographic outlook, a sense of Russian grievance, a desire to carve out a sphere of influence, and a zerosum view of geopolitics. Mr. Putin sees gains by others as a direct threat to Russian power: as a result, we have seen a sharp decrease in Russian cooperation on addressing global challenges.

A third current source of global volatility is the global reaction to profound economic and political transitions taking place in China.

For a number of years, China's unprecedented rise served as an engine of global economic growth.

Unsurprisingly, then, the recent slowdown in the Chinese economy has had a number of disruptive impacts. Particularly affected are China's supply chains and biggest trading partners, especially commodity producers like Brazil and South Afri-

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[2] Central Intelligence Agency, "Brennan Delivers Remarks at the Center for Strategic & International Studies Global Security Forum 2015," November 16, 2015.

[3] Henry Kissinger, World Order, Penguin Press: New York, 2014, p. 143.

[4] Zbigniew Brzezinski, "The global political awakening," New York Times, December 16, 2008.

[5] President Barack Obama, Statement on ISIL, September 10, 2014,

ca. China's immature financial market regulation has also exported some volatility. Another worrying economic trend is the increased involvement of Chinese security services in the commercial sphere. American technology companies doing business in China, in particular, face significant challenges.

On the diplomatic and security fronts, the United States and China have continued to engage in significant and practical cooperation addressing a range of issues including climate change, global health issues such as Ebola, the Iran nuclear accord, increased and higher quality military to military relationships, and the North Korean nuclear program. That said, China's provocative behavior in the South China Sea—including the militarization of claimed and created land formations—is risky, destabilizing, and potentially dangerous.

This needs to continue to be a consistent focus of our engagement with China and our partners and allies in the region. The United States should continue to take actions that underscore our commitments to the principles of freedom of navigation and overflight, respect for international law, the peaceful resolution of disputes, and the security of our allies.

Despite these challenges, the United States and China have to get this relationship right. As Graham Allison has noted, over history, in the dynamic between an established and emerging power, the most likely outcome is conflict—the classic "Thucydides Trap."[6] But conflict is not inevitable. I do not see international relations as a subset of physics. Our countries' leaders can avoid conflict through steady engagement and a concerted effort to avoid strategic miscalculations.

The last trend is the geopolitical impact of sustained low oil prices since mid-2014. The impacts have been vast and substantial. Oil-exporting nations that are heavily dependent on oil revenues but lack significant financial reserves have been severely pressured. This group includes Venezuela, Nigeria, and Iraq. Even exporting nations with significant reserves, such as the Gulf States and Russia, have come under serious economic strain. In recent weeks, Saudi Arabia has announced a major reorientation of its economy. Meanwhile, oil importing nations, including India, East Asian countries, and European countries, have benefited significantly from low oil prices.

The drop in oil prices stems from an unexpected and large increase in global oil supply, driven in significant part by the U.S. shale revolution. The shale boom is truly an "only in America" story. Our advantage comes not simply from the good fortune of sitting atop an extensive resource base. It has been made possible by our support for innovation, our open and predictable investment environment, our deep capital markets, robust environmental safeguards, and a distinct system of property and mineral rights ownership.[7]

The American people are now experiencing a number of tangible benefits from the shale boom. The abundance of affordable natural gas has been an important driver in the U.S. economic recovery, and will have long-lasting benefits for U.S. competitiveness. Increasing U.S. energy supplies acts as a cushion that helps reduce our vulnerability to global supply chain disruptions and price shocks. It also affords us a stronger hand in pursuing and implementing our international security goals.

THE MYTH OF AMERICA IN DECLINE

Some look at this increasingly volatile environment and draw a simple conclusion: that the United States, and its ability to shape the world, are in decline. I flatly reject this notion. In fact, the extreme pessimism that we have heard from some in the presidential campaign, and the general lack of appreciation for America's strengths is not only inaccurate, but also dangerous. An inaccurate diagnosis of our present posture risks causing the United States to make poor policy choices.[8]

The idea that America is in decline does not stand up to a rigorous analysis of our national balance sheet of strategic assets and liabilities. The truth is that no nation can match our comprehensive set of enduring strengths—a resilient, strong, and diverse economy; bountiful resources, both human and material; a unique global network of alliances; unmatched military strength; a powerful culture of entrepreneurship and innovation; best-in-class universities and research institutions; a dynamic demographic future (unique among the great powers); a promising energy future; a well-established legal system; and a long and powerful record of international leadership.

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[6] Graham Allison, "The Thucydides Trap: Are the U.S. and China Headed for War?" The Atlantic, September 24, 2015.

[7] For a more detailed version of this argument, see "Remarks by Tom Donilon, National Security Advisor to the President At the Launch of Columbia University's Center on Global Energy Policy," The White House, April 24, 2013.

[8] I set out these arguments at greater length in the Landon Lecture, delivered April 14, 2014 at Kansas State University.

The declinist narrative also underestimates our unique geographic position: we are buffered by friendly neighbors and two oceans. As a result, we do not face major threats in our own neighborhood. No potential geopolitical competitor—and certainly neither Russia nor China—can claim such an advantageous strategic base. Positive developments in the Americas—including the Colombian peace process, the opening with Cuba, and Argentina's change in leadership and outlook—have only reinforced this advantage.

These national assets can never be taken for granted. Leadership is not something the United States has by happenstance—it is something we have to earn, over and over again. With these advantages, America is in a strong position to adapt to and thrive in times of volatility. What we cannot afford, however, is to allow ourselves to be divided by acrimonious rhetoric, which has been too frequently voiced in this political season. Such statements hamper our ability to come together and take advantage of the many opportunities our great nation enjoys.

CHALLENGES FOR THE NEXT PRESIDENT

Let me conclude by outlining four challenges that the next president, with an understanding of America's core strengths, must work to address in order to bolster our security and national well-being.

Economic Growth

The principal national security challenge for any nation is to maintain its economic growth and vitality. There are not a lot of iron laws in history, but one of them is that international political and military strength depends on a nation's dominant economic strength. As President Obama said in his 2010 address at West Point, "at no time in human history has a nation of diminished economic vitality maintained its military and political primacy."[9]

The 2008 recession was a real blow to our international standing. But, as demonstrated by our successful recovery, the U.S. economy has tremendous resilience—when supported by the right policies

Continued economic insecurity at home can also fuel calls for retrenchment, which would both undercut U.S. global leadership and weaken U.S. economic growth. We cannot lead on the global stage if we do not simultaneously strengthen the American economy at home.

None of our economic challenges is insurmountable; indeed each, in my judgment, has an effective policy response available. What is required is political will. I want to emphasize three things we can do to maintain our prosperity.

First, we can invest in our national infrastructure. For over 200 years, what Henry Clay originally termed the "American System" has driven enormous prosperity and, as a result, increased security.[10] Second, we must maintain our edge in research and development. There is a long relationship between national security and economic innovation. And third, we must maintain our long term demographic advantage through a sensible immigration policy that welcomes those seeking the American Dream.

Terrorism

Through the efforts of the last two administrations, we have significantly reduced the threat from Al-Qaeda. But the overall terrorist threat has evolved and metastasized, and we have entered a new and dangerous phase.

That phase is principally and most urgently defined by ISIS' turn toward external action. As we pressure ISIS in Syria and Iraq—and we are doing so successfully—the network and its followers have intensified their efforts to expand into other regions and to carry out attacks in Europe. In the last two years, ISIS has expanded its franchises throughout the Arab world, having declared provinces in eleven different countries from Somalia to Yemen.[11] Unlike Al-Qaeda, ISIS is a serial, nondiscriminatory franchiser. The scale and speed of ISIS' growth in Libya is particularly worrisome, and will likely require more direct military action to stop this threat from spreading further.

Second, the return of foreign fighters to Europe and the attacks in Paris and Brussels have highlighted how unprepared Europe is to address this threat. Europe's failures pose a clear and present danger to the United States. Out of the

[9] The White House, Remarks by the President at United States Military Academy at West Point Commencement, May 22, 2010.

[10] Jim Manzi, "The New American System," National Affairs, Issue 19, Spring 2014.

[11] "Where ISIS Has Directed and Inspired Attacks Around the World," New York Times, March 22, 2016. House Homeland Security Committee, "European Terror Threat Snapshot," April 2016.

38,000 foreign fighters who have traveled to Iraq and Syria, at least 5,000 are EU citizens.[12]

Just as September 11 forced us to reevaluate our approach to homeland security, the Paris and Brussels attacks should serve as a wake-up call for Europe. Despite the transnational nature of the terrorist threat, European responses remain cloistered behind national borders—and countries' capabilities vary substantially.

We must press the Europeans to do better. At the NATO summit in July, our European allies should come prepared with concrete proposals for how they will improve their border controls, intelligence sharing, and efforts to counter violent extremism. Steps that would make a significant difference include securing the Schengen area's external border, including by fingerprinting all foreign arrivals, as well as committing to share information about any terrorism suspects crossing EU borders with all EU members. Europe must also devote the financial resources necessary for national intelligence agencies, Europol, and Frontex to do their jobs.

Cybersecurity

The nation's vulnerability to cyber-attacks has, in my view, become one of the most pressing challenges confronting our government, our economy, and the American public.

With each passing year, Americans rely more on goods and services that are connected to the Internet. These advances represent a tremendous boon for our economy. But they also increase our exposure to cyber-attacks.

At the same time, the number and sophistication of our adversaries grows each day. Both Russia and China already possess highly advanced cyber capabilities, and they view these capabilities as an important geostrategic tool. Non-state actors also pose an increasing threat.

To confront this problem, the President asked me to chair a Commission on Enhancing National Cybersecurity. The Commission, composed of twelve leaders from academia, government, and the private sector, has been charged with developing a set of concrete recommendations to improve our nation's cybersecurity, in both the private and public sectors. The recommendations will concern eight key topic areas, including federal roles and responsibilities, critical infrastructure, the Internet of Things, and data and identify theft protection.

Beyond these specific areas of focus, we must continue to engage with like-minded countries—as well as those who are less like-minded—to advance international norms of responsible behavior in cyberspace. Promoting our expectations of what is (and is not) acceptable behavior in cyberspace enhances stability and builds international support for the U.S. vision of a free, open, and secure Internet. It also provides a basis for international action when such norms are violated.

The Asia-Pacific

Finally, the next president should build on President Obama's efforts to enhance stability and prosperity in the Asia-Pacific. The future of the United States and Asia are deeply and increasingly linked. It is the most economically dynamic region in the world, comprising 60% of the global population and accounting for nearly two-fifths of global growth in 2015.[13] The goal of the U.S. rebalance is to build upon and extend America's leadership in the region across every dimension of our power. The United States' leadership and presence have provided the platform on which Asia's security and economic architecture have been built over the past 70 years. The rebalance was the right strategy when President Obama announced it and it remains the right strategy today.[14]

Our alliance system in Asia remains rock-solid, and continues to be the basis of our engagement in Asia, but our allies seek even greater U.S. engagement in the region—military, economic, and diplomatic engagement. The Trans-Pacific Partnership is the economic centerpiece of the rebalance. Ratifying this agreement will solidify U.S. leadership in Asia and, when combined with the Transatlantic Trade and Investment Partnership with Europe, put the United States at the center of a great project: setting out the rules of the road that will govern the global economy for the next century.

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[12] Population Reference Bureau, "2015 World Population Data Sheet," August 2015; and World Bank, "East Asia Pacific Growth Remains Resilient in Face of Challenging Global Environment, Says World Bank," April 10, 2016.

[13] *Ibid.*

[14] For a more extensive version of this argument, see Thomas E. Donilon, "Obama Is on the Right Course with His Reorientation Toward Asia," Washington Post, April 20, 2014 and Thomas E. Donilon, "Keynote Address: Obama in China: Preserving the Rebalance," Brookings Institution, November 4, 2014.

Finally, as this committee knows well, North Korea presents the most serious security challenge we face in East Asia and the most serious proliferation challenge we face globally. North Korea has undertaken a "nuclear sprint"[15] in recent months, seeking an intercontinental ballistic missile that could carry a miniaturized nuclear weapon capable of reaching the United States. North Korea's current path presents a direct threat to the United States and its allies as well as a significant global proliferation risk. Drawing on our experience with Iran, the next U.S. president should construct and vigorously and consistently enforce a set of regime-threatening sanctions. We must also pursue and expand our ballistic missile defenses, including the THAAD system, and support President Park's goal of a reunified Korean Peninsula. Addressing the North Korean nuclear program will likely be the key test of the U.S.-China relationship in 2017.

Once again, thank you for the opportunity to address this committee. I look forward to any questions you may have.

The CHAIRMAN. Well, it is a privilege for us to have both of you here today. We thank you for your opening comments.

Out of respect for the committee, I am going to reserve my time for interjections and begin with Senator Cardin.

Senator CARDIN. Well, thank you, Mr. Chairman, and I concur on the opportunity of having both of these individuals with us today. And, gentlemen, I thank you for your service, and I thank you for your statements.

I want to drill down on the point that you made, Mr. Donilon, but also Secretary Baker, and that is the observation of the lack of good governance in the Middle East providing the wherewithal for this movement towards failed states. And admittedly, there was outside interference. There was outside interference in Yemen, there was outside interference in Libya. And we know the Syrian problems. We know Iran's activities. All of that has contributed to the lack of stability and the failure of governments in these countries. And then, this past week, we had a hearing on sub-Sahara Africa and the terrorist networks that are operating in sub-Sahara Africa. So, it is spreading, and the risk of failed states in Africa is pretty dramatic.

I guess my point is: What should the United States be doing in an effort to try to deal with the governance structure? We have moved from autocratic countries that have not been able to transition into democratic countries. For a while, the autocratic systems were working, but, long term, they will not work. So, is there something in our toolbox? I mean, I look at what we have available to us. Our diplomacy budgets and our development assistance budgets are certainly much smaller than our defense budgets. Do we have enough resources? Are we using them properly? Is there a better way of focus on how we can have a more consequential impact on the transition of countries, particularly in that region, to a more inclusive government that can prevent the type of violence that we have seen?

Mr. BAKER. You want me to take a shot at that? I will be glad to, Senator.

Senator CARDIN. Sure.

Mr. BAKER. First of all, it is, today, less a question of what should we be doing, perhaps, than what we should not have done and should not repeat. When we take down an autocrat, it is great. It is in keeping with our principles and values, and, on the whole,

[15] Scott Snyder, "Why North Korean threat is a more urgent issue for next U.S. President," CNN, April 26, 2016.

generally speaking, can be beneficial to the citizens of the country that he or she is imposing upon. But we need to be thinking about what comes next. We should not be so quick to come in and get rid of leaders that we do not agree with 1,000 percent of the time. If you look at what has happened in Libya, what we did there pales in comparison to what the Europeans did, but we did assist. President Obama—Tom will know this a lot better than I—but I do not think President Obama really wanted to do that. But he was convinced that we needed to contribute, and we did, and we contributed air assets. And so, we took Gaddafi down. Everybody was saying, "Well, that is wonderful. He was a brutal tyrant." It was wonderful. Wonderful. Great. But you do not do that without thinking a little bit about what comes next.

We had the same situation in Egypt, when we bailed out on Hosni Mubarak, who had been a wonderful ally of this country for a long time, and, by the way, very good on the Arab-Israeli problem. And so, we ended up with the Muslim Brotherhood, and that became a real problem. And now we have got a military dictatorship back in Egypt. But at least we have some stability.

We have the same situation, to some extent, in Iraq. It was good to get rid of Saddam Hussein, but we should have perhaps done a better job of thinking about what we were going to put in place after he left.

These areas that are failed states are failed states primarily because we went in there—at least in part—and upset the order, because we did not like the people that were running the show. And we should not have liked them. But we need to do a better job of thinking about what comes next, before.

So, right now, my view—and I do not know whether Tom shares this, or not, with respect to Syria. It may be a little bit too late. It is too bad that we did not support what the Turks wanted, which was a no-fly zone along the northern border of Syria, the border with Turkey. If we had been willing to go along with that, I do not know why we could not have negotiated —with the Turks, the Saudis, the Emirates, the Kuwaitis—our other friends in the region—a deal where we would say, "Look, we will furnish the air and the intelligence and the logistics, you put the boots on the ground, and we will take care of this Syrian problem, and we will not have the emergence of ISIS." Now, maybe it is too late to do that, and maybe it is not. Maybe we could generate some sort of coalition like that. But that is what we should have done.

Senator CARDIN. And I agree with your point, particularly the use of our military. Without having a game plan, what comes next, that is not what America should be investing.

Recognizing, though, that, long term, we need more open governments, is there something that we are missing in our action to give a better chance for a more democratic system to exist?

Mr. BAKER. But you cannot expect the emergence of a democratic system in a society that is been authoritarian for the entire term of its existence unless you have stability. So, you should not expect it to happen if, by your actions, you are going to eliminate the stability that existed.

Senator CARDIN. I agree with that.

Mr. BAKER. That is all I am saying.

Senator CARDIN. Mr. Donilon.

Mr. DONILON. I agree. It is important for us to stress governance as part of our approach to these problems. Essentially, the situation in Iraq, in many ways, underscores the point. The situation in Iraq arose because the Maliki government was a sectarian authoritarian government, and was not inclusive, and it was a profound failure with respect to including Sunnis. We had a governance failure, if you will, on the deterioration of the Iraqi Security Forces. And part of the solution today in Iraq—and I am very worried about Iraq today because we have made a lot of progress against ISIS, in terms of our military effort, really serious progress, but we have—still have—a looming governance crisis in Iraq, in my judgment. Abadi, his instincts are in the right direction, but we have a really serious pressure on the situation. So, underscoring the importance of governance, for example, in a situation like Iraq—and I know we are doing that, and Ambassador McGurk and others are working on this—is a very important piece of any of our strategies, going forward.

Senator CARDIN. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you both very much.

Senator Rand Paul.

Senator PAUL. Secretary Baker, I enjoyed your testimony, particularly the discussion of the ideas of selective engagement and the talk of regime change. You know, the President has now admitted, really, that it was a mistake to topple Gaddafi in Libya, but he sort of says, "Well, it was not necessarily a mistake to do it, it was just a mistake not to be prepared to create a country out of nothing and put, I guess, massive amounts of resources and create a nation in Libya." And so, there are a couple of possibilities. One is, well, maybe you should not do it to begin with. And then the other is, well, we do it, and then we have massive resources and we create nations. And then the question is, How do we create democracy in the Middle East if there is no tradition? They have had thousands of years of autocratic rule. I mean, people do not realize that, in our country, one of the amazing things about the American Revolution is, we had representative government for 150 years before that. We had an 800-year tradition of it.

Mr. BAKER. Yes.

Senator PAUL. And we had continuity of that. And we think we can just blow up Gaddafi and all of a sudden, out of that, Thomas Jefferson will get elected. And it is a naive notion, but it needs to go back to, not that we need to be better prepared, maybe sometimes the selective engagement should be, this is a time we should not select to militarily engage. But I think it is important also—and I would like to hear your comments with Assad, also, because it is the same sort of situation. And then, the only other thing I would mix into that to see what you would comment on it is that, ultimately, the solution in Syria is not saying, "Well, Russia can be no part of it." Russia has got a base there, and been there for 50 years. Probably engaging Russia on a solution to Syria may be part of the answer.

Mr. BAKER. They absolutely have to be a part of it, and so does Iran. I mean, the idea that we could come to some sort of an accom-

modation or agreement with respect to the future of Syria without having those two players is ridiculous.

Tom, you would probably agree with that.

We can have bipartisan agreement on that. They have got to be at the table if you are going to have some sort of an agreement or negotiation that would tend to improve the situation—and that is, I think, what Secretary Kerry is now trying to bring about.

But you are quite right in your comment about selective engagement. That is why I like the paradigm, because you look at each one of these discrete, specific foreign policy problems through the prism of our national interest and our principles and values, and you say to yourself, "Okay, if we take this action, where is it going to lead—what is it going to lead to?"—and decide then that that is the way a President ought to approach these things. And look at where the vital national interests of the country are at stake, you might decide to even go as far as use the military. If you do not get to that point, you still have the tools of our political, economic, and diplomatic engagement.

Senator PAUL. I like the idea of the guiding principle being our vital national interest. But, to me, sometimes, we too quickly jump to that as the conclusion, because then that is a debate, "What is in our vital national interest?" And I think what becomes important there is that Congress have a role in this, because our founding fathers did not want to give all the power to the executive——

Mr. BAKER. No, but they gave most——

Senator PAUL [continuing]. They dispersed the power.

Mr. BAKER [continuing]. They gave most of it to the President. I mean, I am a creature of the executive branch, so you have to understand my bias. But the President has certain foreign policy powers that were given to him by the founding fathers. I am sorry to interrupt.

Senator PAUL. But, I would just say, also, that even President Obama admitted, when he ran for office, that no President should unilaterally go to war without the authority of Congress. President George W. Bush came twice, both in Iraq and for the 9/11 use of authorization of force. My point is that, in determining what is in our national interest, if we have debate, then we can get to what is actually in our national interest. But that means that Congress has to retain some authority, and that we should ask Congress's permission before going to war, particularly in Libya. He should have come and asked. My guess is, the debate would have been very messy, but maybe we would not have gone into Libya. Gaddafi might still be there, might still have problems, but we would not have chaos.

Mr. BAKER. I certainly agree with that, Senator Paul. It is always best if the legislative and executive branches are on the same wavelength when you start talking about sending our young men and women into harm's way. So, whenever it is possible, the President should come to the Congress and seek their approval. You know, in the first Gulf War, we had a Democratic House and a Democratic Senate, and it was extraordinarily unpopular to do what we were beginning to do—getting ready to do. And the only way we got approval of Congress was to go first to the Security Council of the U.N. and get a Use of Force Resolution by them.

Still, President Bush brought the matter—President Bush 41—to the Congress. But I want to tell you something. Had the Congress turned him down, I think he still would have done what he did. I do not think we will ever resolve that issue of who has the ultimate power, the Commander in Chief or the Congress, the ability to declare war.

Senator PAUL. Well, one of the exceptions that is granted by almost everybody on whatever side of this issue you are on, is that, if we are under imminent threat if there are missiles being launched against us, obviously the Commander in Chief would want to have the power to make an imminent response. And the President said this in 2007, when he ran, "unless there is an imminent threat." And when I questioned him on Libya, he said, yes, there was an imminent threat to Benghazi. And I was perplexed by that answer, because I always thought an imminent threat was to the United States, not to a foreign city. Because if we make the standard that an imminent threat to any city around the world would be okay for the President to unilaterally begin a war because any city around the world was under imminent threat, I think that would be a standard that would be absurd. I mean, would you not recognize the standard at least to be that the imminent threat would be to the United States or to a military base of ours or to some sort of asset of ours?

Mr. BAKER. Well, yes. But if you look at Article 51 of the U.N. charter, it says that any country that feels they need assistance can call on another U.N. member state to assist them. And that is exactly what happened when we went into Kuwait to kick Iraq out of Kuwait. It was not an imminent threat to the United States. There was no imminent threat to the United States at all. You know, the surest and best test of a great power is, if you have to act unilaterally, you do so. Always best to act multilaterally. I know we would agree on that. But that is a test for a great power—if it has to act unilaterally. We went into Panama with nobody's consent. Okay? They were brutalizing our servicemen down there, and we invaded, we took it over, we grabbed Noriega and brought him back to the United States. So, there are circumstances when that is appropriate. On balance, it is always better for the executive and legislative to be in sync and for the United States to act with allies.

Senator PAUL. Thank you. And I would just hope that it would be more likely to be the exception than the rule.

Mr. DONILON. I would just add——

The CHAIRMAN. Sure.

Mr. DONILON [continuing]. Just to a couple of things on Senator Paul's question.

Number one, in the analysis, as Secretary Baker said, there are a lot of policy options between an invasion and doing nothing. Right? And that has to be part of the analysis as you measure up your how interests are implicated, and then match them up with the activities that you undertake.

Number two, I agree, with respect to Syria—and President Obama and Secretary Kerry are deeply engaged—that a political solution there is the first, best solution. And we are working on that, obviously, with the Russians, specifically.

But, third, it is important—and we talk about governance, and we talk about a lot of the other things that we need to do as a nation—it is important to understand that we have a really serious security problem with ISIS. And we will not be settling the problem with ISIS at a peace conference. And the United States is going to have to lead an effort to eliminate that threat. And it is going to have to be through force, unfortunately.

And last, I agree with Secretary Baker, obviously, that we have all manner of obligations around the world, including obligations to our allies and partners and coalitions, which obligate us to act with force if sometimes necessary.

Senator PAUL. The only quick response I would make to that is, with regard to ISIS, we have to ask the question, Are they bigger and stronger because of our involvement in pushing Assad back and creating a space for allowing them to grow, or would they be less likely to be a threat if Assad were still stronger?

The CHAIRMAN. I might add my first interjection here.

I could not agree more, I do not think we should have done what we did in Libya. Opposed it. And I thought the President used a really cute—we were not involved in hostilities—moment to do that. I also thought we were way too quick to overthrow a long-term ally in Egypt, or be a part of that. I could not agree more.

Where I thought Senator Paul may go was, when you do selectively end up engaging in war, Secretary Baker, what is the best way to ensure that you are successful?

Mr. BAKER. Well, I am biased, but I would submit, Mr. Chairman, that a textbook example of the way to go to war is the way President Bush 41 went to war in the first Gulf War. He told the world what he was going to do, he then went out and got the rest of the world behind his effort to do it, to the extent that, for the first time ever, he was able to get a Use of Force Resolution out of a U.N. Security Council against a U.N. member state. He then came up here on the Hill, and it was very unpopular at the time, but he narrowly got a vote of the Senate by 52 to 48, supporting it, and a vote of the House by a larger margin. He went out, and he put overwhelming force on the ground to make sure that what he was going to do would be successful. He went in, he did exactly what he said he was going to do, and no more, did not go to Baghdad, the way a lot of people were pushing on him to do, and won the war in whatever it was, a few weeks, with, at the time, minimal casualties. And then, guess what? He got other people to pay for the war. Now, that is the way to fight a war. That war cost $70 million, and the United States paid $10 billion. And other people—the people who we were helping—paid the balance. I submit to you that is the way to go to war. Certainly, you need to make sure that, when you undertake that effort, that you have got the forces necessary to get the job done available—get it done, do that and no more, and come on home.

The CHAIRMAN. Thank you very much.

Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chair. And I appreciate you having this hearing so we can have a 30,000-foot view of American foreign policy and a chance to reflect on where we are and where we are potentially headed.

And I appreciate Secretary Baker and Security Advisor Donilon for being here. You both have seen American foreign policy and its challenges from both sides over the last quarter century, pre- and post-September 11th. And we all know the geopolitical developments that have led us to where we are, and the importance of ensuring that foreign policy debate, as exhibited by both of you gentlemen at the table, ends at the water's edge.

And, in that respect, when I was chairman of this committee, Senator Corker and I and other members on both sides worked across the aisle, most notably when we gave—we came back over—brought everybody back, over Labor Day weekend in 2014, and drafted and passed an Authorization for the Use of Military Force that gave President Obama a credible option as he went to the G20 Summit to get Russia to engage Assad in stopping the use of chemical weapons against his own people. And I think that was a high water mark for the committee, in terms of its abilities. And we acted in the spirit of bipartisanship that is incredibly important.

But I would like to hear your perceptions. From my view, at the core of the foreign policy debate unfolding today is the principle in some iteration of intervention. Aggressive intervention without clear goals, particularly in the view of the aftermath, as Secretary Baker has suggested, has led us to wars that have destabilized entire regions and cost us immeasurable blood and national treasure. Tepid intervention without the credible threat of consequences, whether they are diplomatic, economic, or military, can affect our influence and our ability to shape the world. And isolationism, which is a dangerous new view emerging in these presidential debates, only, in my view, will create the type of permissive environment in which our enemies will thrive, because history has taught us, time and time again, that nature abhors a vacuum. What would fill the vacuum of a decreased U.S. role in the world is an incredibly dangerous question.

So, I see Secretary Baker, in his testimony, foreshadowed what he called the end of a unipolar era. And, Mr. Donilon, in your testimony, you very directly countered the idea that America is in decline. But, as I travel throughout the world, I get the perception around the world that the United States is stepping back from its role as the last superpower. And whether that is true or not, it is a dangerous perception that emboldens our enemies. If the current political discourse is the standard by which we are to judge the differences in the views, I worry. I certainly cannot believe that building walls, deporting religious and ethnic minorities, returning to torture, or worse, or turning our backs on disarming the world of nuclear weapons is a course that we see as the best for the United States. And, frankly, the idea of burden-shifting remains equally perplexing to me in a world where the burden is on us to protect our own interests and project our values.

So, I wonder if both of you—and I look at the Rhodes Profile, and I do not know how much truth there is in all of that, but it certainly worries me that messaging is sometimes more important than substance and that the witnesses that come before this committee or that speak to the American people create a misperception or a misleading scenario that I personally never bought into, but I certainly worry about it.

So, in the context of all of that, I wonder if you both would share your views as to a foreign policy of shifting burden to other nations. That does not mean responsible sharing of burdens, but the shifting of burdens to other nations. Does that not create a potential for the loss of influence in the world? What is the role of—in the pragmatic view of democracy—human rights, and the rule of law? Sometimes we shortchange that because, in the pragmatic short-term process, that creates a potential benefit; but, in the long-term process, we often let situations fester and they become bigger problems. And what about the international order? In the post-World War and Cold War, we came to a view that there were certain international standards by which the world could come together on and agree, and that violation of those standards would create consequences. Is that dissipating, that concept of international orders in which we can expect other countries to join with us in enforcing those international orders and having consequences when those international values and standards are violated?

I would like to hear your perspectives on those.

Mr. BAKER. You want me to go? Sure. Okay.

Senator, I do not think it is unreasonable for the United States, given our track record, to ask our allies, particularly, to live up to their commitments. For instance, to spend 2 percent of their GDP on NATO—on defense—so that NATO is sufficiently strong and so that NATO remains the most successful security alliance in history, which I happen to believe it has been. So, I do not think there is anything wrong with that at all. And the fact of the matter is, as Tom Donilon has said, the biggest challenge facing the country today, the biggest foreign policy challenge or any challenge, is our economy. You cannot be strong—economically, politically, diplomatically, militarily—if you are not strong economically.

In his first term, President Obama asked me and a couple of other people, "What should be my number one priority?" I think you were there. And I said, "Mr. President, in my view, your number one priority"—I think he thought I was going to come back with Iran or something, or North Korea or something, having been the Secretary of State—but I have also been a Secretary of the Treasury, and I said, "Mr. President, your number one priority ought to be the restoration of our economic strength." I still believe that. I still believe that we will not be able to do what we need to do around the world, we will not be able to remain this uniquely preeminent world power, we will not be able to continue to lead internationally if our economy does not remain strong. And I mean back the way it used to be, in terms of growth. We are not there. So, that is one thing we have to do.

Well, to the extent that we bear an undue share of the burden of stability and peace in the world, that is not fair for American taxpayers, it is not fair for the American people. I do not think there is anything at all wrong with saying that more of the burden ought to be shared—particularly by our allies. And I do not think that is going to take us down the wrong road. Of course, our foreign policy should always be informed by our principles and values, democracy and the promotion of democracy and free markets. But we have to be smart about how we do it.

I really believe that it is certainly not unreasonable for us to say to the people that we have been carrying the load for, "Hey, it is time for you to come in here and help carry this load."

Senator MENENDEZ. Just to clarify, I was not talking about NATO, where I totally agree with you. By burden-shifting, I am not talking about just the monetary elements, but taking regions, like the Middle East, let us say, and say, largely ——

Mr. BAKER. Taking leadership of the ——

Senator MENENDEZ. Right.

Mr. BAKER [continuing]. That has not worked out very well, in my experience. I remember when I was Secretary of State, and we had been dealing with the end of the Cold War, the Madrid Peace Conference, the war in Iraq, the war in Panama, the unification of Germany, and all of these issues, and things began to fall apart in Yugoslavia. Our European allies came to us and said, "We want the leadership, here," and we said, "Please, have at it. We have had more than enough on our plate." And we turned it over to them, and they split like a covey of quail. I mean, they all went their own way. And so, sometimes that does not work. Sometimes you need leadership from the uniquely preeminent power in the world. People appreciate it when America leads. They carp at us, there is some resentment, there is some jealousy, but they want to see us lead, and they appreciate it when we do lead.

Mr. DONILON. It is interesting, the burden of leadership in really pursuing our interests in the world does require us to continue to have a presence around the world. But that presence provides deterrence, which is short of conflict, obviously, which is where we want to be. That presence provides reassurance to allies and friends around the world. For example, that presence in Northeast Asia—with respect to our nuclear umbrella—is absolutely critical in terms of preserving the norms on nonproliferation on the nuclear side. So, we do have a kind of irreducible demand for our presence and investment around the world. And the demand for U.S. leadership is increasing, not decreasing, around the world. It is important for us to meet that demand.

And we have a lot of tools in the toolbox that we can talk about during the course of this hearing. And one of those is obviously deterrence and presence and various guarantees that we can give, but also, coalitions that do things like placing sanctions. Iran is a good example of that. You are more familiar with this, Senator, than anybody. With your help and the help of the Congress, we had a very successful sanctions effort with respect to pressuring Iran to come to the table, and that led to an agreement with respect to their nuclear capability.

But that coalition building, and it took hard work over time, was an important part of it, and it would not have happened without U.S. leadership. Without U.S. leadership, we will not pursue these nonproliferation agendas, we will not provide the balance that we need in Asia, we will not provide the necessary reassurance. There will not be global trade agreements without U.S. leadership. It is the burden that we bear as the most important country in the world. And as both Secretary Baker and I have said, a fair assessment of our balance sheet of strategic assets and liabilities would lead you to believe that, with the right policies, choices, and leader-

ship, we will continue to be the most important and most powerful and influential nation in the world for a long time to come.

The CHAIRMAN. Thank you.

Senator Rubio.

Senator RUBIO. Thank you both.

Just to continue to build on this line of speculation, people around the country are looking at our own economic struggles here at home, they see our commitments abroad, both in treasure and in lives, and in blood, people coming back wounded and so forth, and there is always this fundamental question of why does everyone else not do more? Why are we committed to these things? Why are we, 70, 60 years after the end of the second World War, still engaged in Asia and providing defense assistance to Japan and South Korea? Why do we need NATO anymore? These are rich countries, they should be able to pay for their own defense.

And so, I would ask both of you to describe a world in which NATO lost its way, or perhaps even disintegrated, and a world where Japan and South Korea lost U.S. commitment. What would the strategic environment look like in Asia, for example, if the U.S. nuclear umbrella no longer covered Japan and South Korea? And what would the world look like if NATO substantially was diminished or even disintegrated?

Mr. BAKER. Well, it would be far less stable. As Tom and I have both said, we have got a lot of problems today, but you would have a helluva lot more if that were the case. And these commitments that we have around the world promote U.S. security. You know, ever since the end of World War II, our security alliances with Japan and South Korea have been the foundation and the basis for peace and stability in the Pacific. NATO has been the foundation and the base for peace and stability in Europe and on the Eurasian continent.

Senator RUBIO. But, some would say, some have suggested, "Why do you not just let Japan and South Korea get their own nuclear weapons and let them defend themselves?"

Mr. BAKER. I think that the more countries that acquire nuclear weapons, the more instability there is going to be in the world, in my opinion. If you look at the way North Korea is using its nuclear capabilities, that is all it has got. That is its threat. That is its big card. But it plays it. And ever since the end of World War II, America has led the fight against the proliferation of nuclear weapons, weapons that can kill millions and millions of people. We ought not to abandon that fight. That would not promote stability. That would promote instability.

Mr. DONILON. Senator Rubio, this is a really important thought experiment, right? And an analytical exercise is to think about what would happen if, in fact, these norms and institutions and United States-led operations were not there.

In Asia, as Secretary Baker said, for 70 years we have invested in a platform in Asia on which Asia's prosperity and economic development has been built. And if you do the thought experiment, do you really see, over the last three-quarters of a century, the spread of democracy in Asia? Would you have seen that prosperity in Asia? You would have seen a proliferation of nuclear weapons in Asia, absent the United States presence and absent the United

States reassurance to those countries, and building a platform around which the social and economic development has been—you know, has been built.

And NATO is another example of this, of course. It has been tremendously successful. You know, we sit here today, and we take for granted—it is, in some ways, a memory problem—we take for granted that Europe is stable, peaceful, and prosperous. That is not the history of Europe, absent the kinds of institutions that were put in place. And it should never be taken for granted that these are permanent situations, absent really tending to them on a constant basis.

So, I think the thought experiment you asked us to do is a really important one, and the outcomes are clear.

Senator RUBIO. Yes, it is not just a thought experiment, it has actually been proposed. But, for the purposes of our discussion in this committee, it is a thought experiment. Just to be clear, I do not support doing that. I just want to revisit this Libya-Syria situation for a moment, because it is sometimes misconstrued. We did not start the uprising in Libya, and we did not start the uprising in Syria. The Syrian people stood up against Assad, actually peacefully at the beginning, and then were met with violence. And the people of Libya stood up to Muammar Gaddafi. And there is a very compelling argument to be made that, in both cases, neither one of those leaders were going to be able to hold on to power in the long term unless they did what Gaddafi was going to do and Assad is doing now, and that is massacre people in order to hold on to power. And so, there was a valid argument to be made at the time that, if you had foresight, you would say to yourself, "These dictators are in trouble. The only way they can hold on to power is to massacre people. If they do so, it is going to lead to chaos and instability. And in the Middle East, chaos and instability, in any part of the—of that region, is the basic ingredient necessary for Islamic radical jihadists to come in and take advantage of that environment."

It is important, when we talk about that situation, to remind ourselves that these were not efforts by the U.S. Government to go in and overthrow dictators. It is the people of those countries that stood up against them. We had to make a decision about what would be in our best interest. If you were able to think three steps forward, in the case of Gaddafi, what if he had gone into Benghazi, massacred all those people, what you would see emerge there would have been all these militias taking up arms, staying in perpetuity, leading to the kind of instability we see today. But it is an accurate assessment to say that we did not start that. We were left to consider the question: What is the best thing going forward for us to do within our national interest? And I made the argument at the time, and continue to stand by those arguments, that it was in our national interest to ensure that whatever resistance there was to those dictators would be made up of people more stable, people with whom we could work because, in the absence of those sorts of elements, that vacuum would be filled by the radical elements that have now filled those vacuums, in the absence of our leadership.

Mr. BAKER. But that is not what happened, Senator.

Senator RUBIO. Oh, I agree it is not what happened.

Mr. BAKER. I mean, yes, the people were beginning to stand up, but we enabled it to happen by using our military force to go in there and remove those dictators. Same thing in Iraq. I mean, I do not suggest that this is not a bipartisan problem. It is a bipartisan problem. But look where we are in all three of those places—Syria, Iraq, Libya. Would we have been there had we not done those things? I am not sure we would have. In fact, I do not think we would have. Now ——

Senator RUBIO. You believe Assad would have crushed the rebellion against him and recaptured control of the entire country?

Mr. BAKER [continuing]. I am not sure whether that would have happened, or not. But I guarantee you that I do not think that we would have the situation that we have today.

You know, for years, we used Saddam Hussein against Iran. When I was Secretary of State, we worked with Saddam Hussein. We finally ended up fighting a war with him, but we worked with him, tried to bring him into the community of nations. But he was our buffer against the interests of Iran.

You know what the most important country today in Iraq is? Not the United States, with our humongous, big embassy there. It is Iran. Most important outside power in Iraq today is Iran. And I do not think the Libyan—I did not—it is not my view that the Libyan people were going to be able to throw Gaddafi over unless we and the Europeans—of course, they were the real movers—went in there and did it.

Senator RUBIO. Sure. But you would have had a protracted conflict within that country that would have served as a magnet for radical jihadists to come in and do what they are doing now ——

Mr. BAKER. Well, more of a magnet than what we have got now, with a failed state?

Senator RUBIO. Sure. But the same. And that is the point. We should have empowered elements there potentially to provide some level of stability after the fact. That obviously did not happen.

Mr. BAKER. Yes, we should have.

Senator RUBIO. We started the conflict, we did not follow through, it left a vacuum, the vacuum has now been filled by ISIS in the northern part of the country. The same is true now in Syria.

Mr. BAKER. We should have done that in all three of the places.

Senator RUBIO. We agree.

Thank you.

The CHAIRMAN. Thank you.

Senator Murphy.

Senator MURPHY. Thank you very much, Mr. Chairman.

This has been fascinating. Thank you both for your time.

I want to continue to probe this question of what American leadership means today. And, of course, our ability to lead is only as good as the effectiveness of the tools that are in our kit.

Mr. BAKER. Yes.

Senator MURPHY. And so, I just want to ask some questions about whether we are, today, properly resourced to deal with the way in which our adversaries are trying to project their power. And I think this is a version of the question that Senator Cardin was asking. And let me, maybe, pose it through the prism of Ukraine.

So, Russia has, clearly, militarily invaded Ukraine, but its end goal, I think, is not to march on Kiev or to militarily own that country. It is to use its military power in order to politically and economically ruin that country. And it is doing all sorts of other things, whether it be bribery, graft, intimidation, energy bullying, to try to get what it wants there.

And yet, all of our conversation here has largely been about whether or not we arm the Ukrainians with military assets. We have had a panoply of responses, but the most significant has been the deployment of two brigades to shore up our allies. And it just seems to me as if we simply do not have the nonmilitary resources to try to play the game that the Russians are playing in a place like that. We do not have the ability to offer substantial energy assistance to try to answer the question of dependence on Russian oil. We bleed out a little bit of money for anticorruption efforts in places like Kiev, but we do not have the ability to do that on a large scale.

So, in a world in which our military strength is still unchallenged, what should we be thinking about, in terms of the other tools that project American power that will eventually win the day? And is the fight in Ukraine an example of a place in which we, maybe, just do not have the influencers that we need in order to protect that country?

Mr. BAKER. Well, I did not hear you mention sanctions, which are——

Senator MURPHY. Right.

Mr. BAKER [continuing]. Which are having an effect, and they are quite strong sanctions, and I believe they are having some significant effect on the Russian economy.

You know, you are talking to somebody here who was there when we negotiated the Budapest Memorandum at the end of the Cold War. I was trying to get the Ukrainians to get rid of their nukes. And they said, "No, no, we do not want to get rid of our nukes." I said, "What in the world, in this new environment, what are you afraid of?" They said, "We are afraid of the Russians." So, we said, "Well, we will fix that. We will get the Russians to give you an ironclad guarantee that they will respect your territorial integrity and independence." And we got it. It was called the Budapest Memorandum, and look where it is.

So, I do not think we have an absence of tools, really. Because we should not act there unilaterally, we have to act with our European allies. And bringing them along is a lot more difficult than acting alone. That is why we are having the difficulty we are having. But we should not just sit back and do nothing. Look at what Russia has done there. I mean, it is outrageous. And now they are doing barrel rolls around our aircraft and buzzing our ships in the Baltic Sea. We have got the tools. It is a question of whether we have the political will, with our European allies, to use them.

Mr. DONILON. I agree. You know, Senator, we do have the tools. And so, with respect to Europe, there is a NATO summit coming up in July, and there needs to be a broad look at the functions and capabilities of NATO, taking into account what Russia has been up to. Russia has essentially been up to a kind of a multidimensional covert hybrid war effort in the Ukraine. And we need to ensure

that NATO has the kinds of capabilities and assets that it needs to push back on those kinds of threats. Right? That is not tanks coming across the border. That is a different kind of threat on which we really can make some progress. We have cyber assets, and we can work with NATO and the Europeans, as well.

I do think we have ways to promote the diversity of energy supply in Europe. And, indeed, our great progress here with respect to natural gas production in the United States is already promoting a diversity of supply, because natural gas that would otherwise come to the United States can go to Europe as a way to diversify supply. And I think there are efforts underway in Europe to do that.

We need to continue to work with the Europeans on our counterterrorism efforts. It is really important in Europe for us to complete these TTIP (Transatlantic Trade and Investment Partnership) negotiations, right, which are important economically for Europe and for us.

So, it is a variety of tools that we have. We have to have a multidimensional look at our European policy. But I agree with Secretary Baker. There are a number of things that we can and should do to focus on the challenge from Russia—and ISIS—in Europe.

Senator MURPHY. With my remaining time, Secretary Baker, could I just bring you back to the Middle East for a moment. There has been a lot of discussion here about the U.S. participation in the Saudi-led coalition bombing campaign in Yemen, and worries that this proxy war is going to expand to territory beyond Yemen. What is your advice—and I would be happy to get Mr. Donilon's advice, as well—on the U.S. positioning, vis-a-vis this growing proxy war? Should we be backing the Saudis' play in every instance? Should we be evaluating each conflict on its own merits?

Mr. BAKER. We should be applying the principles of selective engagement, as I said in my opening statement. Some instances are going to require that we be there, and that we be there militarily. Just as a generic matter, we need to get closer, if we can now, to the Saudis. They really feel that we do not have their back anymore. And they have been a pretty good ally for a long, long time. They have done some things with these madrassas and things that we needed to shut down, yes. And we worked out of both Democrat and Republican administrations to get them to come off of that behavior. And they have come off of it substantially. But they have been a good ally. They are an important ally in the region. They really feel disaffected with us now. And so, I do not see any reason why we should not be there for them, have their back, if you will, not necessarily to the full extent of military action, but I do not happen to see a problem with our trying to help them deal with the threat from Iran and the Houthis in Yemen.

Senator MURPHY. Tom.

Mr. DONILON. Senator, we need to give them our best advice, obviously, with respect to the operations they have underway. And we are pretty deeply involved in doing that. And we give them support for a number of these operations. But we need to give them our best advice, as I said, with respect to specific operations.

But I agree with Secretary Baker. President Obama, just last month, went to Riyadh to host a GCC Summit. It is important for

the United States to provide reassurance with respect to our partners, like Saudi Arabia, in the region.

You know, it is always important to have a keen understanding of the threats that they see and what they feel, and for us to really do a clear-eyed assessment of what the alternatives are as we proceed with our policy, going forward.

Senator MURPHY. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Gardner.

Senator GARDNER. Thank you, Mr. Chairman.

And [to the witnesses] thank you very much for the opportunity to hear your testimony today.

I wanted to follow up a little bit on this question of energy issues and the burden that the American taxpayers are carrying in NATO and other instances around the globe.

Secretary Baker, you mentioned it is not fair to carry an undue burden of world security, to paraphrase what you have said. I do not want to put words in your mouth. I think that is the essence of what you had talked about. And we talked about European security when it comes to energy and Russia and Russia's, of course, reliance on energy to fill its federal coffers. We have this 2-percent requirement with NATO, in terms of what we expect or would like them to contribute to the NATO alliance. But when it comes to energy and some of the other strategic vulnerabilities that we see in a number of our NATO allies, I look at energy as one of those, sort of, key strategic vulnerabilities because of their dependence on Russia.

Should we have policies, as the U.S. and NATO, that would help drive some of our NATO alliance members to develop further energy securitie? Because a number of policies in Europe would prohibit them from developing all of their energy resources. They are not allowed by their governments or NGO actors. And can the United States do more to help provide them with that, to help shore up this this strategic vulnerability?

Mr. BAKER. You mean by way of taking on their own restrictions? I do not know that we can do too much there. If those restrictions are imposed by their state, I do not know if the United States can do much, other than through persuasion and through diplomatic channels, to try and get them to concentrate on removing those bureaucratic impediments. That is all I know that we can do.

Many of us have been asked to sign a letter supporting the idea that the U.K. should not leave the European Union. And I—as a former Treasury Secretary and Secretary of State—I was asked to sign such a letter. And I declined, because if I were a Minister over here or President of the United States over here, and the foreign Ministers of another country wrote me a letter saying, "Here is what you ought to be doing with your own affairs," I would sort of resent that. So, I just said, "I do not think that is the proper role." And I do not think it is our proper role to get into trying to change the laws of those states, internal laws of those states, other than through persuasion and diplomatic channels.

Mr. DONILON. There is a lot Europe can do, though, with respect to advancing its energy diversity. They can do a lot more with respect to building on infrastructure in order to receive natural gas

from other places in the world, including the United States. They can work on a more rational pipeline and distribution system. And we can provide advice on that. And we should—I disagree a little bit—I think we should be advocating for Europe to take steps to diversify its energy supply and to reduce any monopoly influence that Russia might have. And there has been some progress with respect to diversity of supply, but a lot more can be done.

Senator GARDNER. Yes, thank you.

Mr. Secretary, in a speech in 2011, you said, "Allow me to be blunt. Some in the United States—not a majority, by any means, but certainly a vocal minority—see China's rise as a threat somehow to America's international status. They believe that conflict between our two countries is inevitable as Chinese ambitions clash with American position and power. Ladies and gentlemen, these observers are wrong, and they are not only wrong, they are dangerously wrong. And the reason is very simple. Their analyses grossly underestimate the broad areas where Chinese and American interests converge." Do you believe that statement still holds today?

Mr. BAKER. Yes.

Senator GARDNER. What are our future risks? And we should handle and——

Mr. BAKER. I do, Senator Gardner. I happen to believe that one of the biggest challenges facing American policymakers today is how we react to the rise of China as a global power. It is extremely important that we get it right. It is important that China get it right, too, in terms of their relationship with us.

There are some areas, with respect to China, where there can be a convergence—where there is a convergence of interests and where we can be semi-cooperative, it seems to me. But there are plenty of areas where we are going to continue to have tensions. We are going to have tensions on human rights. We are going to have tensions on Taiwan. We are going to have tensions on Tibet. And we are going to have tensions now involving the South China Sea. But we need to cooperate with China, where we can—on regional security, energy security, perhaps trade. But we need to manage the differences that are going to exist. So, cooperate where we can, manage the differences where they exist.

But we will certainly need to maintain a robust military presence in the Pacific, in the form of the 7th Fleet, to guard against any Chinese efforts to achieve hegemony in that part of the world. And there are a lot of our allies in that part of the world that are counting on us to be there for them. I think we can. All I am saying is, it is not foreordained that the United States and China are going to become enemies, at least not in my opinion, if we play our cards right.

Senator GARDNER. Mr. Donilon, you would like to jump in? I want to add a little bit to that. I mean, we obviously have been active, the 7th Fleet you mentioned, our Freedom of Navigation operations. What more should we be doing in the South China Sea, in addition to this question, Mr. Donilon? And should we also be pursuing other asymmetric actions, diplomatic channels, in addition to our Right of Passage exercises?

Mr. BAKER. Well, we should be doing all the diplomacy we can, absolutely, but freedom of navigation is very important. And we need to impress upon the Chinese the danger that these activities present, particularly where you have a conflict between China and Japan over the so-called Diaoyudao Islands or Senkaku Islands, because we have got a security treaty with Japan. And if they start shooting at each other over those islands—uninhabited blocks out there—it is not going to be a good thing for us.

But let me turn ——

Mr. DONILON. Senator, there is really no more serious diplomatic burden that we are going to have, going forward, than to manage the U.S./China relationship.

Senator GARDNER. Right.

Mr. DONILON. Because of history and the dynamics between a rising power and an existing power, it is a real challenge, and one that needs a lot of attention. And again, there is a great burden on the policymakers on both sides.

Second, as Secretary Baker said, this will require us to continue our presence in the region. following through on the rebalance effort is quite important, ensuring that we have appropriate resources and the right balance of forces there.

Third, we need to make very clear to the Chinese, and I have spent as much time with the Chinese leadership as anybody in our government over the last few years, to make absolutely clear that we are going to maintain our alliances. Some on the Chinese side see them as anachronistic Cold War relics, but, in fact, they are the basis on which we engage in the region, and will continue to engage in the region. And one of the great beneficiaries of our engagement over the last three-quarters of a century has been China.

Two or three problematic areas, obviously. The South China Sea, it is important for us to underscore the key principles that we seek to maintain there—freedom of navigation, peaceful resolution of disputes, the force of international law. We do that through our presence and the Freedom of Navigation exercises. It is important for us to continue to press in the region for a code of conduct to be established for activities with respect to these and other disputed areas.

I think that we can press with China, in dialogue, an understanding that there is a real danger here of mistaken miscalculation, and one that we should do everything we can to avoid. In my conversations with the counterparts in the Chinese government with respect to this area, I have said, many times, we have got a tremendous amount at stake here. And some night, in the middle of the night—or the middle of your day—we are going to get a call and we are going to have a problem around some rock formation or island, the name of which we do not know and we cannot find on a map, and it is going to be a real blow to our relationship. So, it is something that the Chinese need to think very hard about, in terms of their more aggressive actions, and we need to be very steadfast in addressing it.

And the last thing I will say, as I said in my opening statement, is that a premier test of the U.S./China relationship going into next year is the North Korea situation. This is the most important security challenge we have in Asia. As I said in my testimony, the most

important proliferation challenge we have globally. The North Koreans are proceeding headlong with respect to a missile program and nuclear program. At the end of the day, we are going to have to take steps to protect ourselves, obviously, against this, because it is not acceptable to any U.S. President to have the North Koreans with an ICBM capability with a miniaturized nuclear weapon that can reach the United States. A number of steps we are going to take, obviously, are going to make China strategically uncomfortable. And this dialogue with China on this is quite urgent and a real test of the relationship going forward.

Senator GARDNER. Thank you, Mr. Donilon. Just ——

Mr. BAKER. Let me echo what Tom just said. I could not agree more about the North Korean comments. And if we are going to have any chance at all of getting this done, short of some sort of a military response, which would be unappealing, at best, it is going to have to be with China. China is the only country in the world that is going to have any real influence on the North Koreans.

Senator GARDNER [continuing]. Yes, Secretary Baker, Mr. Donilon, thank you for that. This committee has been leading in the area of North Korea in the sanctions bill that we passed. I would love to continue this conversation with both of you about what more could be done, and particularly in light of the fact that it looks like, from at least the Trade Ministry in China, that trade with North Korea, between China and North Korea, has actually increased and not decreased. And that is some powerful leverage that they seem to be heading the wrong direction on.

The CHAIRMAN. Thanks for your leadership in that effort.

Senator Udall.

Senator UDALL. Thank you, Mr. Chairman.

This committee has been discussing this for a long time. We have talked about sanctions. I would like to follow up a little bit on the North Korea part of this. You talked about how important it is that we address the issue. What steps, specifically, do you think Congress should take in this conflict we have going on? And then what action the executive should take on North Korea, with what is developing there right now.

Mr. BAKER. The executive should make it clear to the Chinese leadership that this is something that we view very gravely, that it is a matter of utmost and serious concern to us. If the executive comes to the Congress and asks for sanctions of any kind, the Congress ought to respond quickly and effectively and affirmatively because surely the first response is not going to be a military one. I think we all understand that. But we are going to have to do something, because, as Mr. Donilon has said, they are racing pell-mell toward nuclear capabilities that constitute a serious threat to us and to our security treaty allies, Japan and South Korea.

Senator UDALL. Mr. Donilon, please.

Mr. DONILON. Senator, I guess I would go through a list of things.

One is sanctions, obviously. And the resolution at the U.N., U.N. Resolution 2270, is a real step forward. We did this in cooperation with the Chinese. There are loopholes in those sanctions, though,

with respect to coal sales and things like that. Those loopholes should be closed.

My judgment on sanctions, taking my experience from the Iran situation, where we basically put together, over the course of half a decade, a series of sanctions that were regime-threatening, ultimately. And that is what brought Iran to the table. That should be the goal of a sanctions regime with respect to North Korea, that they see it as regime-threatening.

The second is for the Congress to support, and the administration to continue to put in place, the appropriate missile defense systems in Korea, to protect us and our allies in the region. We are moving to do that. We have opened up discussions with the South Koreans on putting a THAAD system in South Korea, but we need to do more.

Third, support President Park in her vision. She is taking concrete steps, too, including pulling back the South Koreans from the joint industrial facility in North Korea. Support President Park's vision of a unified, peaceful Korea, and do it aggressively.

And then, fourth, from the executive branch side, to really undertake an effort to deepen our conversation with the Chinese about the future of the peninsula. It is an uncomfortable conversation for them, but when you are presented with the fact that the United States is going to have to do a number of things to protect itself, they are not going to be aimed at Beijing, but Beijing is going to see them as strategically uncomfortable. That is going to head us towards a serious strategic disagreement with the Chinese. But, again, those steps will not be aimed at China; they will be aimed at Pyongyang, and China is going to have to come to the table with that understanding and work with us a lot harder on imagining a future for the peninsula and working with us in a much more aggressive way.

I think those are the key steps: sanctions, missile defense, politics, and a deeper conversation with the Chinese about the situation. As I said, this is going to be a key test for the U.S./China relationship in the coming year.

Senator UDALL. Thank you very much for those answers.

I would like to shift back. We have had a lot of discussion about Syria and Afghanistan and Iraq and what happened there. One of the things we have talked about compliment the Chairman and Senator Cardin for holding a hearing like this—is, at certain points, we should take stock as to where we are and what lessons we have learned. And it seems to me, when you look at those three countries, and you look at the amount of aid that we have spent—and I think people are talking about an effort greater than the Marshall Plan—when you look at what results we have gotten and where we are today, what do you think the lessons are that we should have learned? In particular, I would like to focus in on Afghanistan, since we have had so much difficulty there stabilizing the country.

Mr. BAKER. I am not sure that I am the best person to answer that for you, Senator. Tom left government far later than I did, and he dealt with Afghanistan. I never had to do that.

But I will simply say that it is now the longest war that we have ever fought. We are still there. But I would suggest that the one

thing we ought not to do is to make what I think was a mistake in Iraq by withdrawing our forces too quickly. I certainly support President Obama's decision to leave forces in Afghanistan. And I think it is unfortunate that we are going to be there a good bit longer. We ought to do everything we can to promote an agreement between the government and the Taliban. Anything that we can do to get that done and to enhance that is what we ought to do. But those are my thoughts.

Mr. DONILON. Senator, it is an important question with respect to our undertakings in Afghanistan. As Secretary Baker said, it has been our longest war. But we have, in fact, really diminished the threat from al Qaeda through our efforts in the region, and that is an important outcome.

It underscores just how difficult these challenges are. I do think it would be useful for our military, in preparation for the next President coming into office, to ask hard questions about what are the lessons about how we have fought war in the last decade and a half. We could really drill down on it and prepare a set of lessons learned as to how we fought war for the next President. We have had some successes, but we made, obviously, a number of errors, and we have had some strategic difficulties.

I agree with Secretary Baker, where we are today, though, in Afghanistan, given the pressure from a resurgent Taliban, I think we are going to need probably the current level or something like the current level of U.S. forces we have there for some time to come.

But we did, it is important to underscore, we did make significant progress against al Qaeda. We did provide the Afghan people with an opportunity to build a society there. But you have to have some humility about this, as well. I mean, the ability at this distance to reform societies that are so different than ours is limited, ultimately. So, we need to identify the threats to us, deal with those, do what we can on the other side.

But I do think this lessons-learned exercise about how we fight war is a useful thing for the next President to be able to look to.

Senator UDALL. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

I am going to have my second interjection, to give Senator Flake just a moment, since he just stepped in.

In Afghanistan, I will say that al Qaeda is coming back. I say that, not to challenge. We just recently allowed our troops to go against them, which was pretty phenomenal. There is no question that Pakistan is undermining us every day with their support of the Haqqani Network, which is the greatest threat to the Afghan government and to our men and women in uniform. The duplicity of Pakistan in all of this has been hard for most of us to stomach.

But let me just ask this question. Selective engagement is the way Secretary Baker has framed it. Mr. Donilon, what would be your take on that view of U.S. foreign policy?

Mr. DONILON. Well, it is sensible. The United States should always ask, before it engages militarily, what the interests are implicated. The degree of interest implicated, as I said earlier, will dictate what we do and what steps we take.

Third, the response to every problem in the world is not U.S. military action.

The CHAIRMAN. I thought you would agree, and——

Mr. DONILON. Yes.

The CHAIRMAN [continuing]. And so, let me take it to the next step. The world is watching right now. I mean, we are the greatest power on Earth, and so the world is watching as this presidential race evolves. Certainly, Europe is watching. I had a leader from China in yesterday, and I can tell their demeanor has changed greatly since I met with them last in February. What is the best way for us to communicate strategic engagement? As you consider the best future course for our Nation, if you were advising folks who now are going to be the focus, if you will, of U.S. foreign policy over the next six months as to how they might communicate that to the world, how would that be?

Mr. BAKER. How they would communicate the principle of——

The CHAIRMAN. That is correct.

Mr. BAKER [continuing]. Selective engagement?

The CHAIRMAN. That is correct.

Mr. BAKER. Well, when we have a new President, he or she ought to say, "This is the foreign policy paradigm that I am prepared to follow, and I am going to take a look at each and every one of these issues as they come before me. I am going to test them against the national interest. I am going to test them against our principles and values. I am going to test them against what I and my advisors think is doable. Then I am going to decide whether or not it is how I am going to address that problem. Am I going to address it just economically and politically and diplomatically, or am I going to address it militarily, as well?" That is the way it would work. So, it is going to depend upon each specific instance or issue that comes before the Commander in Chief. But I do not know whether that answers your question.

The CHAIRMAN. I am going to follow up in just a second.

Mr. Donilon, what would you——

Mr. DONILON. You know, Chairman, it is important for people who are going to be President to communicate their vision of the foreign policy they intend to follow. It is important to do that in some detail during the course of the campaign. I hope we can have that during the course of this campaign. It is important for the next President to communicate that with confidence. Because, as we have both discussed here today, the United States is and has the resources to be the leading nation in the world, and should be the leading nation in the world, is required to be the leading nation in the world. It is important to communicate that we will continue to have a focus on our economic growth, which is obviously important for us and also important for the world. There needs to be a focus on our allies and the value to the United States of this unique and ongoing global alliance. Those are the main themes: our economy and the strength of our relationship with our allies.

The CHAIRMAN. And how would that be different, from your perspective, how would that be different than you think the world is viewing the United States today?

Mr. DONILON. Well, it will depend on who the next President is.

The CHAIRMAN. Well, no, no, no. The selective engagement.

Mr. DONILON. Yes.

The CHAIRMAN. So, what the two of you were talking about, if you were going to contrast that with how you look at U.S. foreign policy today, what would be that be?

Mr. BAKER. Well, are you talking about right this very minute——

The CHAIRMAN. This very minute.

Mr. BAKER [continuing]. Or U.S. foreign policy over the past 20 years? I mean——

The CHAIRMAN. Do both.

Mr. BAKER [continuing]. I think the beauty of this paradigm that I have suggested is that you look at each and every foreign policy problem on its own bottom, and you then decide what range of tools you are going to use to try and address it. You are not wedded to either a foreign policy based only on idealism—we are only going to go for principles and values—or, frankly, only on the national interest.

What I would say, once again, is, if you are talking about sending America's young men and women into harm's way, you had better have a really significant national interest at stake because, as the body bags begin coming home, you will lose support for the policy if you do not have a significant national interest at stake. Witness Vietnam. Witness Iraq in 2003.

I do not know what the view of U.S. foreign policy today is by people on the outside because, frankly, we have embraced a number of different paradigms. That is the best way I——

The CHAIRMAN. Yes.

Mr. BAKER [continuing]. Know how to answer your question.

Mr. DONILON. Mr. Chairman, I think I know where you are coming from. I guess the question would be, if you assume that there are perceptions in some quarters about the retrenchment in pulling back of U.S. leadership, my judgment is that that is not borne out by the facts. I think I know where some of this comes from. But the fact is, of course, that the United States continues to lead aggressively around the world, whether it be in Asia, where we are implementing a rebalance to Asia and engaged with China in constructive ways and in terms of managing our differences and confronting our differences. If you look at who is leading, in terms of putting in place trade agreements, a TPP and TTIP, with the United States virtually standing in the center, putting together the most important trade agreements around the world. If you look in the Middle East, the United States led the effort to address the proliferation challenge from Iran. The United States is leading the counterterrorism effort in the world. And it has been important, actually, to accelerate our efforts with respect to the challenges in Syria and in Iraq.

It is important to underscore the facts. And we have also taken some very important steps with respect to deepening our relationship in our own hemisphere. That, by the way, gets way too little attention in terms of a strategic strength of the United States. No great power, no great nation or important nation in the world, has the kind of strategic base that we do, in terms of the Americas and the potential.

So, I think it is important to underscore the fact of American leadership with specifics. I do think it is important for us to continue to accelerate our efforts in Iraq and Syria to address those problems, which are going to exist beyond the end of President Obama's presidency. But that is the kind of conversation that we should be having with the world. Confident, based on the facts, and rooted in continued U.S. leadership.

Mr. BAKER. Can I say, without this being interpreted as a political statement, which it is not, because I agree with 99 percent of what Tom has said here today, we need to make the world understand we are going to lead from in front, and not from behind. Because I think that is an oxymoron.

The CHAIRMAN. Thank you.

Senator Flake.

Senator FLAKE. Thank you, Mr. Chairman.

And I apologize if I am plowing old ground here with the questions earlier. I could not be here earlier.

With regard to the JCPOA and Iran, the purpose of it was certainly to blunt their nuclear program. But we cannot deny that it has changed the order in the Middle East. Iran has been a pariah since 1979 because of its pursuit of nuclear weapons and other activity. And now it has gained status, at least, as a responsible nation-state, I guess, or how we are going to treat them by relieving sanctions. I thought that the vote on the JCPOA was a closer call than most. I ended up opposing it because of Iran's other activities that I did not think we could address. But can you talk a little about this? What is ahead, in terms of Iran and the change in the order in the Middle East? You mentioned before that we need to be careful and maintain our alliances with the Saudis, for example. How do we do that with this new order in the Middle East?

Mr. BAKER. We have to reassure, not just the Saudis, but our other allies in the Middle East, Israel and the other moderate Arab states of the Arabian Gulf, let them know we have still got their back, let them know that as we have said over and over, that this deal with Iran is nuclear only, does not have anything to do with anything else—it is too bad it does not, but it does not—and that we are going to be there, and that we are still going to oppose the participation in terror that Iran, as a state sponsor of terrorism, has lived with for some time. We need to reaffirm our support for them, and help prop them up because they are really not happy with us. They are not happy with us about this deal.

When the question was whether we should go forward or not go forward, I was in favor of going forward because I did not think we could bring the Europeans along to maintain sanctions. You could argue that we never should have gotten into this negotiation. If you think that Iran's bad behavior outweighs the stability that we will get from 10 years of no nukes in Iran, then you would not have started this to begin with. I mean, we have freed up all those Iranian funds, whatever it is, a billion, billion and a half, and they are still free to do all the nasty things that they do in the region. And they are going to do them, in my opinion. But, when the JCPOA was before the Congress and before the country, I said that I was in favor of going forward with it because I did not think we could maintain the sanctions. I think the sanctions would have

gone. Those sanctions were very effective in bringing Iran to the table.

But now our obligation is to let our longtime allies in the region know that we are going to have their back and that we are not changing our view and our opposition to Iran's bad actions in the region.

Senator FLAKE. Tom?

Mr. DONILON. Secretary Baker described the determination that was seen by President Obama and the administration as the principal security threat in the region, and a very serious nonproliferation threat. It was at a stage where we had the opportunity to stop it. And we succeeded in a negotiation which essentially stops it for a decade and a half, and now with the decision that was made—and I think it was the right decision—with respect to a really serious security issue that we face.

It was not some sort of quixotic exercise of illusions about the nature of the Iranian regime. The purpose of it—as Secretary Baker said—was that it was a transactional, not a transformational, exercise, where we, in a transaction arms-control setting, dealt with their nuclear program for an extended period of time. But we still face an Iran regime——

Senator FLAKE. Right.

Mr. DONILON [continuing]. That is engaged in destabilizing, confrontational activities in the Middle East, and we have to confront it.

So, a number of things. One is that there are two different pieces here. There are the four corners of the deal, which need to be enforced strictly. And there needs to be penalty for a diversion from the four corners of the deal. There are Iran's behavior outside the four corners of the deal, which is going to be much more problematic for us, going forward. And it needs to be confronted, and confronted directly in working with our allies and partners. And, third, we need to have in place a very serious deterrent. Iran needs to understand that if, in fact, they pursue a nuclear weapon, contrary to the undertakings that they took in connection with the deal, that the United States is prepared to take actions—any actions necessary, including military action—to keep them from doing so. This deterrence message is a very important message going forward, for the region and for the world.

Senator FLAKE. Thank you.

Secretary Baker, you will not remember, but I met you for the first time in 1989. I was in Namibia when they were going through that transition, and you came down, had negotiations with Shevardnadze, if I remember, during that time.

Mr. BAKER. Yes. That was Namibian independence.

Senator FLAKE. It was. A lot has happened in Africa. We are having issues right now in a number of countries, East Africa, as well as Rwanda and Burundi, where the political leaders do not want to leave after their terms in office in the DRCr ight now. What are your thoughts with regard to the efficacy of unilateral sanctions or other measures that we could take? We have our influence; at times it is limited, but we do have some influence.

Mr. BAKER. Yes.

Senator FLAKE. How should it be wielded?

Mr. BAKER. Unilateral sanctions are never as effective as multilateral sanctions. We all know that. But there may be a time for those, particularly looking at it through the paradigm of selective engagement. If we say, "Okay, this is a matter that is of great interest to the United States, great concern to the United States. We need to be engaged." And how are we going to be engaged? We are going to be engaged by putting sanctions on these individuals who will not step down. You have got to weigh the pluses and the minuses, do a cost-benefit analysis, in effect. I mean, what are we going to gain from it, and what is it, if anything, that it will cost us?

But, I do not see any reason why we should not do that if we think that is the right approach to take.

Senator FLAKE. Right.

Well, thanks. We will be holding some hearings in the subcommittee on the—that issue, so this is a good preview. So, thank you for your testimony.

The CHAIRMAN. Thank you very much.

Senator Markey.

Senator MARKEY. Thank you, Mr. Chairman, very much.

Thank both of you so much for being here and for your service to our country.

Secretary Baker, thank you so much for recommending to President Bush that you not to go Baghdad. That decision stands the test of historical scrutiny.

Mr. BAKER. Yes, I do not think you were here, Senator, when I said, shortly after we got out of office, every time I would make a speech anywhere, people would say to me, "Why did you guys not take care of Saddam when you had the chance?" I do not get that question anymore.

Senator MARKEY. Yes. You balanced American military might with wisdom.

Mr. BAKER. Yes.

Senator MARKEY. And you brought that wisdom to that decision, and we thank you so much.

Mr. BAKER. Thank you.

Senator MARKEY. And so, now, as we look at Iraq today, we can see the rising influence of al-Sadr. He was behind this Shi'a takeover of the parliament.

Mr. BAKER. Yes, yes.

Senator MARKEY. Ostensibly, they are calling for reforms. But, those reforms include changing the role in which the Sunnis and the Kurds play in the government in that country. And we are already, basically, looking at Sunnis in Tikrit wondering when do the Shi'a ever let their control over that city go so that they can, once again, play a role in the government. And that would create problems for the takeover of Mosul, for example, so that the Sunnis in that city would say that it is worth it to fight the ISIS Sunnis, because we were given back our control over that city, and on and on.

Could you give us your view as to the role that Iran is playing in this al-Sadr agenda in Iraq right now, and what the United States should be doing in order to push back so that the forces of

inclusion—so, it is not just the Shi'a, but the Sunnis and the Kurds—retain roles that are prominent inside of the government?

Mr. BAKER. Well, again, Tom is probably more up to speed on this, because he has dealt with it more recently, but let me say—and this is not a political statement, Senator—but I think we left too soon. I had said that in response to an Afghan question. We were unable to negotiate a status of forces agreement. I do not know whether we should have been able to do it, or not, but we did not, and we left.

I am, like Tom, very seriously concerned about the situation in Iraq today. And I think what you saw with Muqtada al-Sadr's take-over of the Green Zone was very, very disturbing, because it is more of what we saw before.

Senator MARKEY. And do you see it as an extension of an Iranian ay inside of Iraq?

Mr. BAKER. I do not think there is any doubt in the world that Iran is most important foreign-nation player in Iraq today. Not the United States. Nobody else. Iran. They have an influence on the Shi'a government, and have had since that government came to power. Of course, Iraq is a Shi'a majority state. And so, yes, I see a lot of Iranian influence.

Senator MARKEY. So, what, from your perspective, should the United States be doing, building a coalition of other countries that have a stake in long-term Iraqi stability in order to make sure that this radical Shi'a perspective does not poison any ability to bring the Sunnis and the Kurds, long term, back to the table to have a united country?

Mr. BAKER. I do not know anything that we can do, other than continue to work with the Iraqi government. President Obama is incrementally increasing the presence of U.S. forces there. Tom probably knows the extent and degree of that better than I do. But, I think that is probably called for now. I hate to see it. I hate to see us going back in there. We are not going back in full bore.

Senator MARKEY. If Maliki had allowed for 10,000 American troops to stay in Iraq——

Mr. BAKER. Yes.

Senator MARKEY [continuing]. How, in your opinion, do you think that——

Mr. BAKER. I think that would have——

Senator MARKEY [continuing]. Have changed things?

Mr. BAKER [continuing]. I think that would have made a big difference.

Senator MARKEY. Yes.

Mr. BAKER. I really do think it would have made a big difference. It would not have made a difference in whether or not the Maliki government did what they should have done, which was to give the Kurds and the Sunnis a fair shake. They have never done that. They have been very, very partisan ever since the beginning. And this new government is less partisan, I think.

Senator MARKEY. Thank you.

Mr. BAKER. Let me turn to Tom.

Senator MARKEY. Thank you for your wisdom. Thank you.

Yes, sir.

Mr. DONILON. Yes. Senator, a couple of things. Number one, the governance efforts in Baghdad are as important as the anti-ISIS efforts outside of Baghdad, because the source of ISIS in Iraq is, basically, a failure of governance. It was a Maliki government undertaking an authoritarian sectarian approach to governing, politicizing the Iraqi Security Forces, which led to a great deterioration, obviously. And we can be successful with respect to our efforts—and I think we will be—in terms of rolling back ISIS and defeating them, but it will be a short-term success if, in fact, we have a non-inclusive government again in Baghdad, which will lead to the same kind of dynamic.

Senator MARKEY. How concerned are you that Abadi, given this pressure that al-Sadr is now bringing, will not have the capacity——

Mr. DONILON. Well, we need——

Senator MARKEY [continuing]. As you are saying——

Mr. DONILON. Yes.

Senator MARKEY [continuing]. To create a political space for the other religions in that country?

Mr. DONILON. I think it is concerning, but we need to support him in that effort.

The other pressure, of course, on the Baghdad government is low oil prices which is another whole——

Senator MARKEY. But, we cannot do anything about that, except lower them further when the fracking revolution continues in America. So, that is the more likely direction. Secretary Baker is an expert on that subject.

But, are you optimistic, in other words, in terms of, ultimately, what will unfold in Iraq? And can we give the support to Abadi? Can he push back against al-Sadr? And does he have the will to push back against the Iranians, who actually have a stake in the instability in that country?

Mr. DONILON. No, they have a big stake in it. At this point, you can only identify the policy priority. I cannot judge, from this distance, the likelihood of success. But, I do know what the right policy priority should be, and it is to support Abadi in having a more diverse and representative government.

With respect to ISIS, what has happened, of course, is that ISIS has now entered a new and dangerous phase which is moving towards an external agenda outside the so-called caliphate area, the theater of war right now in Syria and Iraq. And so, we do not have any choice but to break the back of ISIS's perception of the narrative of success.

Senator MARKEY. Because, otherwise, it is just repetition syndrome, and we go right back into the same cycle. I continue to believe that, unless we can think through and apply the right pressure, especially to the Iranians, on this Iraqi Sadr agenda, that, ultimately, all of our efforts are just not going to bear the long-term fruit that we are hoping for, for that region.

Mr. DONILON. I agree with that.

Senator MARKEY And again, I want to thank both of you for the great service to our country.

Thank you,

The CHAIRMAN. Very good.

I know we are pressing up against a hard stop for Secretary Baker, so, Senator Coons, if you can go ahead, and we will end up after you, sir.

Senator COONS. Thanks very much, Chairman Corker, Ranking Member Cardin, for convening this fascinating hearing.

And I would like to thank Secretary Baker and National Security Advisor Donilon for your decades of very constructive, strong, and capable leadership in American foreign policy. This has been a fabulous hearing, so I appreciate your engagement with us.

It has been remarked by many members of this committee, the current presidential election has seen candidates question long-held assumptions and commitments and principles that have underlain U.S. foreign policy for a long time, and some of the statements seem to have struck a chord with the American people. And this upcoming election season is an opportunity to reflect on the changing nature of the world, the challenges, threats, and opportunities we face, and to reassess our role in it.

No matter the outcome of the election, the Senate, and this committee in particular, must continue to grapple with the trends that you have identified that are transforming the international system, and decide how we will defend our interests, engage with our allies, and advance our values.

So, with that in mind, let me ask two just broad questions and then invite you to use the remainder of your time to speak to it as you will.

First, the role of this committee and the Senate, more broadly. So, this is a process question. The Chairman and Ranking Member have done a great job of working, on a bipartisan basis, to strengthen the role of the Foreign Relations Committee, which, I will just posit, has waned somewhat as the general partisanship and division in the Congress has been a barrier to our being an effective player in foreign policy formulation. So, my first question would be: Tell me, in your experience, how you perceived the role of the Senate and what concrete actions you think we could take to strengthen the role of the Senate in policymaking and to be more relevant.

And if you would reflect on that in answering two other questions, that would be great. How do we strengthen the international rules-based order that we established after the second World War that has been so important to security and prosperity? And how can we confront the fact that there is this whole belt of fragile countries across North Africa and the Middle East that runs, arguably, from Mali and Mauritania all the way through Syria and Iraq, out to Pakistan, in a way that will make a real difference?

What is the role of the Senate? How do we strengthen it? And how do we strengthen the world order? And how do we address that whole region of instability in a meaningful way?—in the remaining 6 minutes.

Mr. BAKER. Well, I think that Chairman Corker has moved this committee back to the role that it played when J. William Fulbright and others chaired it. And I think that is good. I think that it is important. I first started testifying here before Foreign Relations when Claiborne Pell was the Chairman. And I have seen a

lot of chairmen. I have seen Jesse Helms and Dick Lugar and a whole bunch of people. And John Kerry and Joe Biden.

Senator COONS. Joe Biden, thank you.

Mr. BAKER. Yes. And it is a very, very important committee. If you are interested in foreign affairs—and this is the preeminent committee of the Congress on that issue. I am sure Ed Royce might not agree with me on that, but—they are both important. This is an extremely important committee. And I think Chairman Corker and Ranking Member Cardin are taking it back to what it used to be. And I am delighted to see that. That is the only comment I would make with respect to that.

What was the second question, Senator?

Senator COONS. What should we be doing to strengthen the international rules-based order that the United States really led, post-World War II.

Mr. BAKER. It is important that we live up to our financial responsibilities, that we pay our dues, yes, to the U.N., among others. But, I think one of the strengths of America, as I pointed out in my opening statement, is that we are the uniquely preeminent power in the world today, and, in my opinion, we stand to remain that. There is no real challenger to us for the foreseeable future.

And one of the elements of our strengths is our leadership role in these international institutions, whether it is the IMF or the World Bank or the WTO or the U.N. And it is important to understand that these help America. They help us maintain security for the American people, and they strengthen America.

So, I think that would be my answer to you on that.

Senator COONS. Yes.

Mr. DONILON. Senator, thanks for the question.

On this committee, I would say three things. One is the coin of the realm is policy ideas, a deep exploration, and then coming forward with concrete approaches and ideas, is really important. This committee is doing that, in a variety of places. But, it is important to close the deal, to actually say, "All right, we have looked at the problem, and we now have a set of possible recommendations and policy ideas that we want to put forward."

I think the second is to continue to be out in the field and to travel and to learn what is going on. There is no substitute for that, frankly, as you know very well. There is just no substitute for members of this committee going out and seeing what is going on, on the ground, and getting a feel for the history and the dynamics of places around the world.

And the third is—keep in mind that both Secretary Baker and I am are creatures of the executive branch, so this is a statement against interest—you should hold the executive branch's feet to the fire. There are two different ways to do that. One is to press on the seams of foreign policy problems, where there seems to be a crack, or it does not quite fit together. And the other is, where there has been a problem, to actually do some investigative work and, again, come back with recommendations for how it might be done better in the future.

Those would be the three things that I would say for the committee.

With respect to the rules-based order, I think the most important thing we can do is to remind the American people, and our leaders, that these institutions have worked well for the United States, and they should be supported and continued.

Mr. BAKER. Right.

Senator COONS. Well, as a member of the Appropriations subcommittee that funds the State Department and foreign aid, I will just mention, in closing, that Senator Graham has made a number of public comments, and we held a hearing on the question of fragile states. Many members, Republican and Democrat, were present. Senator Graham is, I think, appropriately, highlighting that the cost of restabilizing countries like Libya and Syria and Iraq, and continuing to hold together countries like Nigeria and Pakistan, is going to be substantial.

Mr. BAKER. Yes.

Senator COONS. And we need to engage, in a bipartisan and thoughtful way, in advancing why it is in America's interests to prevent the collapse of larger and potentially more dangerous states.

I am really grateful for your testimony today, and to the Chairman for convening this hearing.

The CHAIRMAN. Thank you.

Senator Cardin, for a closing comment.

Senator CARDIN. Yes. I want to thank both our witnesses again.

But, you know, Iran has come up several times in our discussions, and I certainly agree with both of your statements about the fact that the United States must reassure our Gulf state partners and Israel of our commitment to their security.

I do just make the observation—we all talk about being strong in regards to Iranian activities that are not directly related to the JCPOA. And I agree with that completely. I am concerned, though, that, with Iran continuing to say to the international community that the United States is not operating in good faith, when we are, whether we are going to be able to take firm actions against Iran for its non-nuclear activities and have the support of Europe. Because the connections currently being made in Europe, to me, could lead to a concern as to whether we can maintain that unity in a post-JCPOA world.

Mr. BAKER. That is an important issue that we need to confront, going forward, and starting right now. It is really a matter of diplomacy. And we ought to stay engaged on it, starting right this minute, talking to those allies, keeping them together, because we are not going to be able to do anything unilaterally on that problem.

Senator CARDIN. Right.

Thank you both. Appreciate it.

The CHAIRMAN. Well, we thank you both for your careers, outstanding public service to our Nation, your willingness, when the time calls, to come back and help us, as you have today. It has been a major contribution to us and to our country. And we thank you for that.

And there will be questions that will come after this. We will close those as of the close of business Friday. If you could, within

a reasonable time, attempt to respond to those, we would appreciate it.

But, we cannot thank you enough for being here today, and for your outstanding public careers.

With that, the meeting is adjourned.

[Whereupon, at 12:01 p.m., the hearing was adjourned.]

Additional Material Submitted for the Record

RESPONSE OF HON. JAMES A. BAKER III TO A QUESTION SUBMITTED BY SENATOR TIM KAINE

Question. What steps do you believe the Administration should take in its last months to steer the Israeli-Palestinian peace process back on track and gain momentum? How should a new Administration approach this issue with regard to American leadership in the conflict and where should the Israel-Palestine issue rank as a priority? How can we better work with the Arab states to support a renewed push for peace? Do you believe we can or should revive the 2002 Arab Peace Initiative?

Answer. Timing is critical in making a diplomatic effort to promote Israeli-Palestinian peace. When I became U.S. secretary of state in 1989, I saw the prospects for Israeli-Palestinian peace as very faint. In fact, a decade later I wrote: "From day one of my tenure as secretary of state, the last thing I wanted to do was to take on the Middle East peace process." Three years later, however, after the United States had lead an international coalition that defeated Arab rejectionism in the Arabian Gulf by ousting Saddam Hussein's troops from Kuwait, the timing had greatly improved. America had defeated Iraq, one of the biggest military threats to Israel. America's global influence was on the rise, particularly in that part of the world. So the Bush-41 Administration was able to leverage support from both Arabs and Israelis for the Madrid Peace Conference, the first time Israel and all of its Arab neighbors had sat down to talk peace.

Frankly, I have been disappointed with the lack of progress regarding a lasting Palestinian-Israeli peace. Shortly after President Barrack Obama took office in 2009, I thought that there was a chance that Israel and the Palestinians could strike a secure and lasting deal. President Obama had indicated a willingness to expend political capital to push for a two-state solution. Prime Minister Benjamin Netanyahu appeared to have the nationalist credentials and domestic support necessary to conclude such an agreement. And Palestinian President Mahmoud Abbas seemed to have the desire. The effort quickly faltered, in large part because of a swift deterioration in the relationship between President Obama and Prime Minister Netanyahu.

Secretary of State John Kerry's later round of talks also foundered. Let me stress that I admire the Secretary's heroic, if ultimately unavailing, effort to broker a deal. But the pessimists who predicted failure from the very beginning were, I regret to say, right. Last year, of course, the Obama Administration concluded the nuclear deal with Iran. Whatever its merits, the deal and vociferous Israeli opposition to it have made it extremely difficult for the Administration to encourage Israel as part of any renewed peace process. Unsurprisingly, the Administration has apparently decided not to push hard for new talks.

The timing today for steering the Israeli-Palestinian peace process back on track and gaining momentum is not particularly propitious, particularly given the polarization in Israeli politics with Netanyahu recently forming a more rightwing Likud coalition government that has key players opposed to a settlement with the Palestinians on the principle of land for peace. Meanwhile, President Abbas has been weakened over the years by his inability to achieve a peace agreement with Israel and by Hamas's challenges to his leadership. In short, the prospects for forward movement on Israeli-Palestinian negotiations are at this time bleak. At the same time, U.S. relationships with Israel and with moderate Arab states are strained, thus limiting America's critical role in the peace process.

For the medium to long term, however, I remain cautiously optimistic—and I stress "cautiously" optimistic—because it seems to me that Israel's future absent a two-state solution could be very difficult at best.

Some argue that now it is too late to create a two-state solution. Too many settlements, they say, have been built in the occupied territories. And the Palestinians remain hopelessly divided between a rejectionist Hamas and a weakened Palestinian National Authority. But the practical alternative to a two-state solution is continued conflict that will neither guarantee to Israelis the security they deserve nor deliver to Palestinians the state that they desire. Further, I fear that Israel risks losing either its Jewish identity or its democratic character as long as it occupies the West Bank because demographic changes could ultimately make keeping both impossible.

And remember, although Prime Minister Netanyahu and his right-and-center coalition may oppose a two-state solution, a land-for-peace approach has long been supported by a substantial portion of the Israeli body politic, by every U.S. Administration since 1967—Republican and Democrat, alike—and by a vast majority of nations around the world.

In this context, the Obama Administration in its remaining months in office has several options. It could do nothing in the hope that the next President might be able to use a "clean slate" to jump start talks. Or the Administration could table a "framework" for an Israeli-Palestinian settlement which outlines the contours of final status issues such as the 1967 borders, Jerusalem, refugees, and security arrangements. (See Rice University's James Baker Institute report in 2013.) Alternatively, it could lend its support to French initiatives such as an international conference and/or a UNSC Resolution on an Israeli-Palestinian settlement.

In any case, the Administration should reiterate its strong support for the Arab Peace Initiative of 2002. It is a unique incentive for peace since it would include the recognition of Israel by its Arab neighbors and give President Abbas the Arab cover he needs on sensitive issues like Jerusalem. Netanyahu has indicated just recently that he supports a two-state solution and the Arab Peace Initiative subject to revisions. These may be more words than serious intent but the U.S. Administration should put him to the test.

A new U.S. Administration should play a leadership role in the Israeli-Palestinian peace process because it affects U.S. national security interests in the region and since it is highly improbable that the parties themselves will be able to come to the negotiating table on their own volition.

Further, the United States is best positioned to influence the parties toward negotiations because of its special relationship with Israel and its history of playing the role of an "honest broker" between Arabs and Israelis (e.g., 1979 Camp David accords and the 1991 Madrid Peace Conference). Importantly, the Palestinian issue remains, despite current arguments to the contrary, a central issue in the Middle East that is a source of instability and conflict (e.g., The Intifadas of 1987 and 2000 and the 2014 Gazan war) and serves sometimes as a strated justification for acts of terrorism. But for the U.S. to be successful it must act with strong political will and translate its words into deeds. This is no easy task. It is ultimately a question of U.S. leadership.

In short, the Israeli-Palestinian issue should remain a priority in our Middle East policy.

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