Graduation Address: Dr. Richard N. Haass  
President, Council on Foreign Relations  

Class Day Ceremony, May 19, 2012  
Fletcher School of Law and Diplomacy, Tufts University  

Good afternoon. Let me begin by congratulating all those who will receive their degrees tomorrow. Tufts is one of this country’s great universities, and you are right to feel proud of all you have accomplished. I only suggest that you take a moment to thank those friends, family, and faculty who helped get you to today.

And what a glorious day. Let’s declare it a good omen.

Thank you for inviting me to speak at this 2012 Class Day. It is a special treat and honor to be here with your dean and my long-time friend and colleague Steve Bosworth. Steve and I go back some thirty years now; we have literally travelled the world together. I am glad to report that the world as well as the two of us survived. Steve is the consummate professional, both in what he has done and how he has done it, someone who has excelled as a diplomat and done it diplomatically. Let me just say the two don’t always go hand in hand.

I understand that commencement talks usually try to provide guidance for life beyond the campus. For better or worse, though, I was asked to talk about foreign policy. And I will do this, but, for the record, don’t be afraid to fail, listen more than talk, and focus on the journey and not just the destination.

But I digress. Often when I am asked to speak at events an explicit or implicit theme is that the world matters. There is no need to do that today given that this is one of the few institutions preparing young men and women for a career in foreign affairs and international relations. I expect you understood how much the world matters in choosing to go to the Fletcher School of Law and Diplomacy...and on the off-chance you did not, you do now.

Given this focus, it is tempting for me to speak to you about some esoteric topic, be it the challenge of global governance or the competing purposes of American foreign policy or how best to balance the instruments of statecraft. But as is often best, I will resist temptation. Don’t worry, the wisdom of
resisting temptation will not be the subject of my remarks today, if only because I expect this horse has left the barn for at least some in attendance today.

Instead, I will talk about what I judge to be the greatest threat to order in the world. No, I am not talking about terrorism or a rising China or global climate change or nuclear proliferation or poverty or pandemic disease or upheavals in the Arab world, although these and other phenomena are worth contemplating and contending with.

Rather, my greatest worry concerns another kind of threat, namely, that the United States is losing its willingness and ability to continue playing a leading – make that the leading – role on the world stage.

A great deal is at stake. The world does not operate on auto-pilot. There is no invisible hand guiding the geopolitical or global economic marketplace. What countries and those who lead them say and do – and what they fail to say and do – have great effect.

No country is more significant than the United States. This is not hubris or boasting or chauvinism. It is simple fact. The United States remains the world’s preponderant military power. It accounts for between one fifth and one quarter of world economic output. American creations, from the airplane to Apple and the telephone to Twitter, have had and continue to have enormous global impact.

But American importance also relates to American influence. As I expect all of you understand, power and influence are related but fundamentally different. Power is about capability; influence is the ability to translate that capability so that others act in ways deemed to be desirable.

The era of American primacy, the era of profound American influence, goes back more than half a century, to World War II. It has been defined not just by economic and military might but by an ability to get things done. Much of the world's institutional architecture would not exist without American leadership and commitment; the same holds for the rules and principles that shape relations between countries and for expectations as to how governments ought to behave within their borders.
If the United States were to do less, either out of choice or a lack of capacity, it would have great consequence. Other countries are rarely prepared to step into the breach. Many lack the means. Few have developed habits of leadership. Most are focused internally or locally. Regional and international institutions often lack the necessary consensus, capacity, or legitimacy.

Worse yet, other countries or non-state actors ranging from terrorist cells to drug cartels would take advantage of any American abdication of global leadership. Their goal would not be to create order, but to undermine it.

Don’t get me wrong. The United States is far from always being right in what it does or how it does it. At times we have gotten our priorities wrong; in recent years, in Iraq and in the Afghan surge, I would argue the United States has erred by attempting to do too much, in pursuing ill-advised wars of choice. On occasion we may have have erred by doing too little. Clearly, choosing the right ends and balancing these ends with limited means is no easy feat.

My point is not that the United States is perfect, but that its leadership, for now and for the foreseeable future, is essential if the world is to be largely peaceful, prosperous, and open. And what worries me are the challenges to American leadership – challenges that are coming less from without than from within.

Let me focus on three. The first is economic. The United States has accumulated a federal debt of some $15 trillion – roughly equal to one year’s GDP – and is adding to this debt at a rate well above $1 trillion a year. It was Herb Stein, one of Richard Nixon’s principal economic advisors, who observed that things that cannot go on forever will end. Well, this will end. The world will grow weary and wary of lending more dollars to the United States, and will demand higher returns for so doing. The danger is twofold: at a minimum, it will force the Federal Reserve to raise interest rates, in the process dampening economic growth that is already below historic averages; at worst, it will happen suddenly, forcing draconian and ill-considered cuts in what we spend.

We can avoid this fate if we take steps to put our domestic house in order. The Simpson-Bowles Commission suggested one way forward; something like it is called for if we are to have the resources we will need to remain a world power, to shield ourselves from the pressures of markets or unfriendly central
banks, and present a model of political and economic competence that the world will want to emulate.

Eliminating the deficit is not necessary, but it does need to be reduced. This can be accomplished responsibly, largely through reductions in what is spent on entitlements but also on defense and select domestic programs. Tax reform is also essential. I favor emphasizing spending cuts and some increases in taxes. But these increases need not come from higher tax rates. A better approach would include phasing out tax expenditures such as mortgage deductions for those who don’t need them and instituting both a fair estate tax and some form of consumption tax.

More important are policies that bolster government revenues through increasing economic growth. Indeed, it is time to move beyond the increasingly sterile debate between austerity and stimulus. I would advocate for the reduction of trade barriers, altering corporate taxation to encourage investment at home, and increasing the ability of the most talented people from overseas to study, work, and live in the United States.

The second domestic challenge is infrastructure. Ten years ago American infrastructure ranked fifth in the world in terms of quality. A decade later, it ranks 24th, passed by the likes of Barbados, Malaysia, and Oman. The United States spends just under $50 billion per year on surface transportation. But to maintain what we have and make necessary improvements, we would need to more than double that.

Continuing down this road (so to speak) will have measurable effects, and I’m not just talking about more potholes. By 2020, crumbling infrastructure could shave a full percentage point off the country’s growth – a staggering amount when you consider that the economy averaged 2% annual growth during the first decade of this century.

Fixing or modernizing this country’s airports, rail system, bridges, roads, ports, and electrical grid is not something that can be done quickly or cheaply. But it must be done. There is no reason, however, that the government need provide the bulk of the resources. Public-private partnerships such as a national infrastructure bank could seed and coordinate projects, with the bulk of the resources coming from others and paid back by user fees or return on
investment. The fact that such projects would also create jobs for many Americans is an important added benefit.

The third domestic challenge is education. America’s great private universities, including this one, are truly world class. But the K-12 system that supplies them is in deep trouble. In recent international tests, American students ranked 14th in reading, 25th in math, and 17th in science. Just one third of elementary school students in this country are competent in reading and math. Some 25% will not graduate high school. A recent Council on Foreign Relations -sponsored Task Force warned that this situation jeopardizes not just America’s prosperity but also its national security.

The quality of public education needs to improve markedly if we are to produce young men and women who can compete successfully in a global marketplace, who can staff the government and the society, and who can fulfill their obligations as citizens. The good news, and as is often the case, is that the answer is not about spending more. It is about spending smarter. Resources need to be directed to the poorest communities; national standards in literacy, math, science and civics should be developed and introduced; teacher training and accountability are essential.

Don’t get me wrong. The United States is not -- repeat not -- in decline. As I said earlier, it is the world’s largest economy, its most powerful fighting force, and the greatest innovator. And the United States can still point to extraordinary strengths, including flexible labor and capital markets, new finds of natural gas and oil that promise to transform this country’s energy future, fertile land, ample water, a growing population that avoids bulges of either too many youths or aged, and, appropriate to today and as I just noted, world class institutions of higher learning.

And at the same time, other countries are not without their problems. Europe, with a collective economy of roughly the same size as this one, is experiencing what promises to be a prolonged financial (and perhaps political) crisis. And even if this is somehow resolved, Europe faces a difficult future given its lack of labor mobility, unaffordable entitlements, an aging population, and regulatory and immigration policies that inhibit growth. China faces growing political uncertainty, environmental degradation, and the need to put into place an economic model that depends less on exports and more on domestic consumption. India must tackle massive poverty and political deadlock.
Japan for its part has weathered two decades of drift with no end in sight. Russia is a largely one-dimensional economy overly dependent on raw materials; its population is shrinking and its politics are brittle.

But the weakness of others comes as no source of relief. The risk in the foreseeable future is not the emergence of a peer competitor to the United States, but rather the absence of partners willing and able to work with us in a world defined by global threats that require collaborative responses.

More important, the weaknesses of other countries should not distract Americans from the need to address this country’s shortcomings. I would urge us to pursue a policy of Restoration – a policy based on restoring this country’s strength and replenishing its economic, human, and physical resources. This is not to say the United States should wall itself off from the world – far from it. In an era of globalization, isolationism would fail to protect us from global threats and deny us the opportunity to help build a more peaceful and open world. A policy of Restoration would acknowledge that foreign policy is not so foreign but that to the contrary, even foreign policy begins at home.

A good friend of mine who led another university not far from here kept three boxes on his desk: in, out, and too hard. The good news is that none of the many challenges facing this country, including the three I have highlighted here today – the country’s economy, infrastructure, and schools – need go into that third box. None is beyond fixing. The only question is whether our politics are up to it. I hope they are, because not just the future of this country but the next era of history of the world depends on it. And I hope and trust that you, Fletcher School class of 2012, will be part of that process.

Thank you again for asking me to speak here today. Good luck, and God bless.