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Remarks to the Center for National Policy

***Sen. Biden Receives Edmund Muskie Award 2008 Public Service Award* on 6-18-08**

****AS PREPARED FOR DELIVERY****

Ladies and gentlemen –The next President will have an awesome responsibility – but also the greatest opportunity since FDR – to change the direction of our country... and the world.

The world has changed over the past two decades. As Yeats wrote in “Easter 1916,” our world has “changed utterly, a terrible beauty has been born.”

Recognizing that terrible beauty – and adapting to it – is what I want to speak about tonight.

Inflection Points

Let me start with something very basic – the concept of inflection points.

You’ll remember from calculus – or maybe you won’t – that an inflection point is where the slope of a curve changes from being positive to negative, or vice versa.

To think about it another way, it’s the moment when you’re turning a car from left to right that the steering wheel is pointing straight ahead.

Inflection points are critical because at that moment, you can go either way. You can straighten out, or turn back to one side or the other. But once you pass that juncture, you’ve largely determined your ultimate trajectory.

The concept doesn’t just apply to curves or vehicles. We in the United States are at an inflection point. What happens at this juncture will likely determine the trajectory of our country. The stakes could not be higher.

First, we face real and numerous security challenges: the rise of extremist groups... hot wars in Iraq and Afghanistan... a cold war with Iran that could become hot... and the spread of lethal weapons.

But we also must confront broader forces shaping our century, which I will come to in a moment – forces that are actually defining the world in which are citizens must live and succeed.

Unless we meet those security challenges with wisdom as well as strength, we risk exhaustion, distraction and bankruptcy.

Second, we face a new wave of stiff economic competition.

For the last half century, the United States and Europe have had the luxury of competing primarily against each other, and Japan. Those days are over.

Countries like China and India have learned from our experience, adopted our playbook, and are now working hard to beat us at our own game.

In many cases, their citizens are willing to work longer, harder, and more cheaply than Americans and Europeans.

As a result, what qualified as good enough when we were competing against each other is not good enough now that we're up against the whole world.

Lastly, we have been crippled in our attempts to address these problems by our reliance on old resource: fossil fuel.

More than any development I have witnessed in 35 years in the Senate, the widespread dependence on oil is tying our foreign policy in knots.

It costs us more than just high prices at the gas pump.

It threatens our national security.

It helps fuel the fundamentalism we're fighting, because some of the dollars we spend on crude wind up in the pockets of terrorists and radicals.

It limits our options and our leverage around the world, because oil rich countries pursuing policies we oppose can stand up to us, while oil dependent allies may be afraid to stand with us.

And it undercuts the advance of freedom, because regressive regimes swimming in a sea of high priced oil from the Middle East ... to Africa ... to Central Asia -- can resist the pressure to reform.

If energy consuming countries in the West are going to remain the masters of their own fate, this situation is unsustainable.

Re-Centering Our National Security

So, how do we handle this inflection point. I'd like to suggest a few ideas:

First, we need to radically revise our definitions of security problems and security solutions.

Yes, we need to defeat extremists groups and deny their efforts to acquire weapons of mass destruction.

But we must not ignore the other forces that are shaping this century:

The emergence of China, India and Russia.

The spread of dangerous weapons and lethal diseases.

The shortage of secure sources of energy, water and even food.

The impact of climate change.

Rising wealth and persistent poverty.

A technological revolution that sends people, ideas and money hurtling around the planet at ever faster speeds.

The challenge to nation states from above and below.

The struggle between modernity and extremism.

No one country can control these forces, but more than any other country, we have an ability to affect them -- if we bring to bear the totality of our strength.

It's less about military might or monetary resources than it is about our ideas and ideals and exerting the kind of leadership that persuades others to follow.

In short, we need to re-center our national security strategy on the real issues shaping the century.

Iraq

The place to start is Iraq -- the one issue that dominates our national life... and stands like a boulder in the road between us and the credibility we need to lead in the world and the flexibility we require to meet our challenges here at home.

There can and should be a debate about how to reduce our commitment in Iraq. But there can be no debate about the need to do so – and to start as soon as possible.

Those who believe we must stay in Iraq indefinitely like to talk about the consequences of drawing down.

They fear Al Qaeda in Iraq and Iran would be strengthened. I believe – and do many experts who've testified before the Foreign Relations Committee – that's exactly wrong.

When we draw down, Iraqis of all confessions are likely to stamp out the remnants of Al Qaeda in Iraq – and we can help with a residual force in Iraq or the region.

Iran loves the status quo, with 140,000 American troops bogged down and bleeding. When we draw down, it will have to focus all its energy on preventing chaos inside Iraq's borders and instability beyond them.

I'm willing to concede that the consequences of drawing down are debatable.

What's not debatable is the cost of staying in these large numbers – a cost that grows steeper every single day and that we cannot sustain.

The continued loss of the lives and limbs of our soldiers;

The emotional and economic strain on our troops and their families due to repeated, extended tours, as Army Chief of Staff General George Casey recently told us;

The drain on our Treasury – \$12 billion every month;

The impact on the readiness of our armed forces – tying down so many troops that we don't have any left over to deal with a new emergency;

The inability to send enough soldiers to the border between Afghanistan and Pakistan, where Al Qaeda – the people who actually attacked us on 9-11 -- has regrouped and is plotting new attacks.

When I was in Afghanistan in February, General McNeil, who then commanded the international force, told me that with two extra combat brigades – about 10,000 soldiers – he could turn around the security situation in the south, where the Taliban is on move. But he can't get them because of Iraq.

The longer we stay in Iraq, the more we put off the day we fully join the fight against the real Al Qaeda threat – and we finally defeat those who attacked America seven years ago.

It Is the Economy

Second, there is no question that the world's economic center of gravity is going to shift east in the next fifty years. That's inevitable, and – to the extent the countries of Asia are able to lift their people out of poverty – it is also desirable. We should welcome their new prosperity.

Countries like China and India are using market principles we originated... inside an international trade system we created... in an attempt to reach levels of prosperity we already possess.

We also have to put the economic challenge from Asia into perspective.

For all of its remarkable growth, China still ranks only about 100th in the world in per capita income, about the same as Mali.

China still has about 400 million people living on about \$2/day. The number of Chinese living in poverty exceeds the total population of the United States, Canada, and Mexico combined.

And China must create 20 million new jobs every year just to hold unemployment rates steady.

That one fact means that China will continue to place domestic economic growth above almost every other priority.

Based on those dynamics – and the fact that Europe and the United States still account for 60 percent of global GDP – we're well positioned to succeed in the global economy – if we're smart.

The key will be leveraging our huge head start in human capital – the true wealth of a nation in the 21st century –and innovating rapidly enough to ensure the world can support a massive new global consumer base – and more than one billion new workers competing for jobs.

But if we're going to stay ahead of the competition, we absolutely cannot rest on our laurels. We need to be working overtime to build our countries' capacity for innovation, particularly as it relates to using resources more efficiently.

We know how to do this. But we are not preparing enough of our young people to succeed in industries that will be relevant in a truly global economy.

Right now, 30 percent of our students never finish high school. That's unconscionable.

We need to ensure that our teachers, our students, and our universities understand the stakes in this game. And we need to harness their talents – and the energies of those who are currently being left behind by shifts in economic activity – to professions like clean technology that will remain relevant in a truly global economy.

Ending the Axis of Oil

Finally, we desperately need a solution to our energy problems.

We could have and should have focused on this issue sooner. We've known it was a major strategic liability since the 1970s.

There is no silver bullet. But there is silver buckshot. We need to make real changes in our energy policy – and like many of my colleagues, I've got some very concrete ideas for what needs to be done.

But we can't legislate ourselves out of this mess. We also need dozens, if not hundreds, of breakthroughs.

I recently met with the Foreign Secretary of the United Kingdom and discussed the possibility of a transatlantic partnership to pool money and expertise toward energy innovation. This could be a good start, but we would need to start soon.

We also need to develop a new compact among energy importers for managing relations with energy exporters.

It is absurd that OPEC meets regularly to coordinate market strategy and the President and Prime Minister of Russia seem to spend more time running Gazprom than their government, but Americans, Europeans, Indians and Chinese have done so little to forge a common approach to this issue.

In the United States, we've spent hundreds of billions of dollars fighting in Iraq, but a pittance developing realistic alternatives to Middle Eastern oil.

We need to get our priorities straight, and attack the challenge of hydrocarbon dependence with the same grit and determination we used to win the Cold War.

Renewing America

Some day soon, we could pass that inflection point, where these issues overwhelm us, and drag us into the history books.

But we are not there yet. We have the capacity to beat every one of these challenges. We'll need a new understanding of our security concerns.

We'll need a tremendous amount of technological innovation.

We'll need to help and sometimes confront entrenched interest groups resistant to change.

We'll need the respect and support of our allies.

I believe it is fully within our power to renew America.

Then, with our credibility restored, our alliances repaired and our freedom renewed, we will once again lead the world.

We will once again address the hopes, not play to the fears, of our fellow Americans.

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