



**Herman Kahn Award Dinner in Honor of Senator Jon Kyl
Willard InterContinental Hotel
Washington, DC
November 8, 2011**

**Walter Stern,
Hudson Institute Chairman Emeritus:**

Good evening ladies and gentlemen, distinguished guests including Senator Kyl and his family, Senator McCain, Senator Corker, members of the diplomatic corps, and fellow trustees of Hudson Institute. I'm Wally Stern, Chairman Emeritus of Hudson. And, on behalf of the Hudson Institute Board of Trustees, our management, and staff, and most importantly our scholars—many whom are here tonight—I would like to welcome you to the 2011 Herman Kahn dinner.

This is a very special evening. Hudson was founded a half century ago by Herman Kahn—an exceptional thinker—who had a way of analyzing public policy that was, and still is today, unique.

Tonight we honor a great American, Senator Jon Kyl, the Senate Minority Whip, a good friend of Hudson Institute who has been central to the fight to keep America's defense strong. And, we're very fortunate that another American hero and friend of Hudson Institute, Senator John McCain, will introduce his Arizona colleague.

Our freedom as a nation is neither guaranteed nor free. American exceptionalism requires exceptional dedication and sacrifice. We are proud to be able to pay tribute later in the program to the incredible dedication and great sacrifice of our returning veterans from Afghanistan and Iraq, a number of whom are with us tonight. There are many special guests here this evening, far too many to be acknowledged from the podium. But let me just acknowledge two: Max Singer, cofounder of Hudson, who is a Trustee Emeritus and still an active Senior Fellow at the institute; and Debbie Kahn Cunningham, daughter of Herman Kahn, with her own daughter Jessie.

[Applause]



As we celebrate Hudson’s fiftieth anniversary of forging ideas that promote security, prosperity, and freedom, we rely upon the generosity of a wide variety of donors to underwrite our research. I would like to particularly acknowledge our dinner committee composed of friends and supporters of Hudson, both new and old, including Amgen, ANA Airlines, the Home Depot, the Limited, Curt Winsor, Margaret Whitehead, Miles Prentice, and yours truly. I express my deep gratitude to all our sponsors and friends for their support of tonight’s gala. To all of you, many, many thanks for being here tonight.

[Applause]

**Kenneth Weinstein,
Hudson Institute President and CEO:**

Good evening ladies and gentleman, distinguished guests, Senator Kyl, Senator McCain, Senator Corker, and Hudson Trustees—especially our Chairman Emeritus Wally Stern, our Vice Chair Sarah Stern, and Herman Kahn’s daughter Debbie—and most notably of all, the veterans and families who are with us this evening. [Applause] We honor your service and your courage. Thank you by honoring us with your presence here this evening.



Welcome to the 2011 Herman Kahn Dinner.

This is truly a momentous occasion. When Hudson Institute was founded fifty years ago, few could have imagined a think tank would have such a tremendous impact here in the United States and around the globe.

I am very proud to lead Hudson Institute into its second half century.

In my remarks, I’d like to focus on three reasons why Hudson is unique.

The first is our founder Herman Kahn, whose memory we celebrate tonight. Herman Kahn, co-founded Hudson Institute with a then newly minted lawyer, Max Singer, who is with us this evening. Max, please stand and take a bow.

[Applause]

Max, we cherish you. You’ve been a big part of Hudson since 1961, and none of us would be here were it not for you. Max has just published a new book, *History of the Future*, inspired in part by his work with Herman Kahn, and I’m pleased that we’ll be able to give each of you a copy at the end of tonight’s gala.

Max, I know you'll agree when I say that Herman Kahn was, in many ways, the embodiment of Hudson Institute. In an era of polite uniformity—in thought and appearance—Herman stood out. A lovable, but let's face it, disheveled giant standing over six feet tall, weighing more than three hundred pounds—Kahn relished the role of the outsider. Armed with a deep imagination and IQ of over 200 and a sense of humor that couldn't be controlled, Kahn's accomplishments were astounding: pioneering the use of scenarios for defense planning; founding both the fields of future studies and systems analysis; and shaping development economics that pointed the way to an abundant and brighter future.

With due respect to most of the people in this room, Kahn was neither a wonk nor a talking head. He was a brilliant physicist who had a command of world history at his fingertips. Key to his policy approach was being rational as he thought about the unthinkable, including the possibility of nuclear war. Thinking about the unthinkable horrified the liberal elites of the day, but Kahn understood something. To reduce the damage nuclear war might cause, you had to imagine how it might be fought. Kahn might have had a dark reputation as a nuclear strategist—and he actually was one of the models for Dr. Strangelove, but he was nothing like the ominous figure some imagine and certainly nothing like Strangelove.

When Kahn founded Hudson Institute, he shaped it in his own manner: open, freewheeling, less hierarchical, and devoted to longer range and interdisciplinary research. Paramount was the conviction that a significant number of the challenges facing mankind could be met, not by panic and overreaction, but by sober thinking and broad analysis. Kahn understood what many today, especially in this town and in that magnificent residence a couple blocks away do not. That none of us has a monopoly on wisdom. Economists do not, neither do lawyers, historians, sociologists, demographers, or even political theorists. But by bringing specialists together and asking them to think creatively outside of their fields and about the long term—whether it be a national security or economics or beyond—we can analyze problems more effectively and better diagnose their solution.

As Hudson's Senior Vice President Scooter Libby puts it, at Hudson we strive to get the big picture right and then the rest falls into place.

Working in this fashion Hudson became a place that developed major new insights. By the mid-1960s, believe it or not, Hudson scholars predicted an amazing world of missile defenses, high-yield agriculture, network computers, and, yes, even mobile telephones.

But Kahn never lived to see the era he and his colleagues predicted. He died suddenly and very tragically on July 7, 1983. The loss was unthinkable, first and foremost for his family, for the Institute, and for Kahn's many admirers around the globe.

But Kahn's legacy—one of optimism and problem solving—guides us to this very day. Senator Kyl, this is why we honor you tonight. You follow in Herman Kahn's path with your long-term focus on national security and your clear-eyed and principled optimism.

[Applause]

That leads me to my second point, the unique intellectual atmosphere at Hudson. This organization is guided by a culture of openness, genuine inquiry, and a willingness to ask tough questions with a determination to maintain a guarded optimism about the future.

I will never forget how I felt in the summer of 1991 as a Harvard PhD student arriving at Hudson: liberated, free to speak my mind in a way I hadn't been able to. I was home. And though I've aged a bit, I still feel that way today, some two decades later.

Over twenty years ago, I remember hearing from my senior colleagues about the possibility of welfare reform and charter schools, way ahead of when these ideas became commonplace, and more recently, about Russia's creeping autocracy, the ordeal facing the Euro, and the crisis in the U.S. credit markets.

And that brings me to my third point, our research agenda today.

As we proudly enter the second fifty years of Hudson Institute tonight, I have an announcement to make. We are undertaking a major new initiative. The topic is the future of innovation in the United States. Our groundbreaking research will seek to assure that America's global leadership in this area is secure for some time to come. This project has already garnered both the financial and intellectual support of some of the biggest boldfaced names in technology and venture capital, including Eric Schmidt and Peter Thiel. So look out.

We have a lot to look forward to in the next fifty years of this great organization. Thank you for your support; thank you for your friendship; and thank you for making history with us.

[Applause]

And, now I present to you a video tribute to Hudson Institute.



John Walters,
Hudson Institute Chief Operating Officer:



Good evening and welcome again. It's my job to quickly start the main course of tonight's program. Let me first offer a special welcome to our honoree Senator Kyl, his wife Caryll, his daughter Kristine, and his grandchildren Christopher and Alicia. Thank you for being with us. It's an honor to be with you.

[Applause]

One of my tasks is the simplest of tonight's speakers, and that is to introduce Senator McCain who will introduce our honoree Senator Kyl. And of course you already know Senator McCain, and in fact, all Americans and most of the world knows and admires Senator McCain, so I have little to do in that regard. But in light of his service and the sacrifices he's made for our country, and during this week where we celebrate Veteran's Day, it is fitting that we take this occasion to honor special guests who are here tonight.

There are four groups of Veterans with us, and I'd like to mention those groups by name, although there are enough of you here that I can't, unfortunately, mention you individually by name: The Achilles Freedom Team of Wounded Veterans, the Georgetown University Student Veterans of America, the Vets for Freedom, and the Walter Reed National Military Medical Center at Bethesda. We are honored by your presence.

[Applause]

Thank you for keeping our families safe, for protecting our freedom, and for the sacrifices you and your families have made—and those who have served with you and their families—for our nation. You and Senator McCain, and all who have served and sacrificed, not only protected us—perhaps, most of all, you make us want to be better people—worthy of what you have done for us. On behalf of everyone here, thank you for that profound gift, not only of your service but of your example .

[Applause]

Now it is an honor for me to introduce Senator John McCain, a longtime friend of Hudson Institute. He and Senator Kyl were both generous in their help and support when I was in government. I want to thank them publicly. Not everybody I worked with in government was helpful or supportive, so I don't say this as a matter of course. [Laughter]

Senator McCain, of course, began his service to America as a heroic military officer and continued to serve and lead his country afterwards. 2012 will mark thirty years of service since he first was elected to the United States' Congress. He has always been a reformer—never fearing to anger colleagues or powerful interests when he believed they were to contrary to the best interests of America. He has been a steadfast voice for those who serve, and for the necessary national and international purposes of that service.

He, of course, ran for President with the same rare grace and obvious love for this nation that has been the hallmark of his public life. He is, beyond question, an American patriot, an American original, and an American hero. It is my honor to introduce Senator John McCain.

[Applause]

Senator John McCain:



Thank you very much.

[Applause]

Thank you for those kind words, and thank you, John, I appreciate it. Those were especially kind words given the latest approval ratings of Congress, in case you missed it. We're now down to nine percent. That means we're down to paid staffers and blood relatives. In fact, I'm not sure about some of the blood relatives.

I am very pleased to be here, and grateful to Hudson Institute for the opportunity to talk about my friend, and a dear friend, Jon Kyl. I commend him for his many years of principled public service on behalf of our fellow Arizonans and our country.

Before I go much further, I appreciate the fact that you mentioned that I ran for President. Well, I really don't appreciate it—but I'd like to ask your sympathy for the families of the state of Arizona, because Barry Goldwater from Arizona ran for President of the United States, and Morris Udall from Arizona ran for President of the United States, and Bruce Babbitt from Arizona ran for President of the United States, and I, from Arizona, ran for President of the United States. Arizona may be the only state in the America where mothers don't tell their children that someday they can grow up and be President. [Laughter]

[Applause]

I want to thank all of Hudson's Institute's leadership for selecting so honorable a man as Jon Kyl to receive this year's Herman Kahn award. Let me also thank the Hudson Institute and all of you here tonight who do so much to improve the lives of our fellow citizens who are serving and have served our nation in uniform, especially those currently deployed overseas. The video we saw is a moving reminder of how much we owe to our armed forces, and I'd like to take a moment and extend my deepest gratitude to each of you here tonight who is serving, or has served our nation in uniform.

Statesmanship, that old-fashioned virtue, is always in great demand and seldom in great supply. Those who deserve the distinction often vary in the qualities they bring to public life. But they all share one common attribute, the conviction that the public interest is a personal responsibility.

When his last term in the senate concludes, Jon Kyl will have devoted more than a quarter century to the service of our nation, and throughout his admirable career, he has served America's security, prosperity, and values, with uncommon dedication, modesty, and effectiveness. No one has accused me of modesty.

I have never known a Senator more prepared and more persistent in his advocacy of policies he believes best serves his constituents and country, on subjects as various as they are important. Nor one who manages to be as courteous and self-effacing as he is determined and persuasive. Jon is a problem solver, who believes that sharp reason and reasonableness are not incompatible qualities.

The respect with which Jon was held by our colleagues was evident in his election as Senate Republican Whip. And the bipartisan consensus in the Senate is that he is a Senator more interested in finding solutions to our nation's problems than in posturing for public acclaim or enjoying the privileges and power of his office as proof of his importance. His service on the Select Committee is a mark of the respect that people have for him. I have told him on several occasions, for his service on the Super Committee, his reward will be in heaven, not here on earth. [Laughter]

As I mentioned, even colleagues who disagree with Jon always come away from exchanges with him impressed by his competence and mastery of whatever policy they have debated and are grateful for the example of a principled colleague who actually does disagree without being disagreeable. Jon Kyl didn't seek the limelight or pursue—as I know he has been encouraged—the office at the other end of Pennsylvania Avenue. He left that pursuit to a fellow Arizonan with more ambition than sense, and I thank him, I think, for his generosity.

But over the past twenty-five years, Jon's colleagues have entrusted him with critical responsibilities because they knew he would discharge those duties skillfully, fully, and fairly for the sake of the country he loves and serves so well. Jon has never given a single one of us the slightest reason to regret our trust in him. On the contrary, I think we would all agree, we showed enormous good judgment in assessing the character and abilities of our friend and example, Jon Kyl. As the other Senator from Arizona, I can testify that no member of our Congressional delegation has a better understanding of the issues that matter most to Arizonans.

For example, Jon is our leading expert on land and water issues. The value of his expertise may not be appreciated as greatly in the Eastern United States as it is in the West. But I can assure you our constituents consider Jon as vitally important and provocative. There's an old saying in the West: whiskey is for drinking, water is for fighting. By the way, Barry Goldwater used to say that in Arizona we have so little water that the trees chase the dogs. [Laughter]

Perhaps the area where Jon Kyl's impact has been felt the greatest and where his absence will be felt the worst, is on national security issues. Here too, Jon is always the best informed and prepared in debate, the most persistent in ensuring that whatever outcome is achieved serves the national interest, and often the most insightful impression in identifying threats that will grow in importance.

Jon is the leading voice in arms control policy debates and in the advocacy of an effective missile defense. No one knows more about these issues than Jon Kyl. He is a champion of Internet freedom in closed societies, which recent events have proven beyond doubt is a driver of history and an engine in the global progress of liberty.

He was an early and leading advocate for improving America's cyber defenses, and he was one of the original sponsors of comprehensive sanctions legislation against Iran's government for persisting in its pursuit of nuclear weapons capabilities. That legislation passed with overwhelming bipartisan support, which is a testament to Jon's foresight, hard work, even-handedness, and persuasiveness.

He's also been a tireless and devoted advocate of our men and women in uniform and the missions they have been sacrificing for over the past decade, especially when those missions have faced their greatest challenges. During the darkest moments of the Iraq war, during the most difficult days of the surge, and during the more recent challenges we have faced in Afghanistan and Pakistan, Jon has fought with those who are fighting for us, and he has devoted countless hours as our Republican Whip, to maintaining the unity of our party behind these vital goals.

Like all of us, Jon knows he can never give more for our mission than our fighting men and women. But he also affirms his duty to never give less.

It's those Americans, many of whom are here tonight, who give up their comfort and safety, who give up less demanding and more lucrative jobs, who give parts of their bodies and cherished parts of their lives, who give up the quiet little sacrifices that often go unmentioned, but often hurt the most: the anniversary spent alone, the birth of a child missed, the first steps not seen, and the first words not heard. They give all of that, and always they are prepared to give more. I wish it were the case that national security issues were dominating our public debate these days because the challenges we face have never been more myriad, complex, and difficult. However, the focus of the American people is on other matters these days, which is understandable but nonetheless unfortunate. This is perhaps what concerns me most about Jon Kyl's departure from the Senate.

He has been an able and dedicated leader on national security in the congress, and pardon my selfish wish, Jon, but I hope you'll find some other way to serve our national security and national interests. Our country needs you now more than ever. Thank you, Jon, for your exemplary service to Arizona and America; all of us know we could do a little better by our country by emulating your qualities a little more often. I wish you and Caryll every happiness in the years ahead. You've earned it.

I will miss you more than I can adequately express. Ladies and gentlemen, please join me in welcoming a fine man, a great Senator, and an example to us all, the recipient of this year's Herman Kahn award, Senator Jon Kyl.

[Applause]

**Senator Jon Kyl,
2011 Herman Kahn Award Recipient:**



Thanks John, thank you very much. Wow! I really appreciate all those kind words. It kind of makes me wish I could retire more often. John, I hope you're around for my funeral. [Laughter]

I can't begin to thank my colleague John McCain, not just for these kind words tonight which are embellished I assure you, but I appreciate the spirit in which he delivered every one of those words. But for his wise council and friendship and companionship—I mean we're kind of like an old couple now—in the Senate

working together side by side for seventeen years and then before that when I was in the House of Representatives on behalf of our constituents in Arizona and of the United States. Can you imagine any greater honor than serving as a colleague of John McCain in the United States Senate? That's been my honor and privilege.

[Applause]

John I appreciate those words very much. I just have to tell you one little story since John talked about the days of the surge, the dark time in Iraq, and so on. The most devastating campaign commercial run against me and my campaign in 2006, was the last commercial, and the effect of it was that Jon Kyl is so bad—You want to know how bad this guy is—he even agrees with John McCain that we need a surge in Iraq. How crazy is that? Well, history showed. And one thing I've always appreciated about my colleague John McCain is his instincts in foreign policy and national security issues. I've never known him to be wrong in calling the shot before other people figured it out. And that's a mark not only of real leadership but of the experience that he has in many years around the world in working with foreign governments, foreign leaders, in the United States Congress, but having a feel for what's most important and what we need to do. It's just a shame that we have not had John McCain as our President for the last three years.

[Applause]

And I too want to mention these groups that are here this evening, the Achilles Freedom Team of Wounded Veterans, the Georgetown University Student Veterans of America, Vets for Freedom, and the Walter Reed National Military Medical Center of Bethesda. I had an opportunity to visit with many of you whose organizations I've just mentioned, and I'll tell you folks, anytime you start getting a little pessimistic about the future of this country, just meet with some of these folks. They will give you the optimism and the notion that this country is never going to fail because our future is in the hand of such great, courageous, strong, young men and women. And as one last opportunity to give them a round of applause, let me just say that we should not also forget that my colleague John McCain served with great honor and courage for this country, suffering many of the

same things that some of you here this evening have. And I think for all of those veterans of the United States of America, let's give them please one more round of applause.

[Applause]

Well, what an honor it is for me to receive the Herman Kahn Award from the Hudson Institute, particularly on this auspicious fiftieth anniversary occasion. I'll begin by thanking Max Singer, the Hudson Board of Trustees, President and CEO Ken Weinstein, Chief Operating Officer John Walters, and President Emeritus Herb London. Thank you all.

I want to say that Hudson's Fellows most of you appreciate—but perhaps not enough—appreciate that they are the most authoritative and credible and sensitive thinkers in our country today. And I work with them on a daily basis on issues of Middle East policy, nuclear arms control, Islamist extremism, and across the national security field. I continually make use of the superb analysis of my longtime friend Doug Feith, and of Jack David, Scooter Libby, and Abe Shulsky. I admire Michael Horowitz's initiative to promote Internet freedom in China, Iran, Syria, and other dictatorships around the world. And I've greatly benefitted from John Fonte's scholarly expose of the intellectual assault against American sovereignty, and gave a speech recently based on his great writings. The excellent journal, *Current Trends in Islamist Ideology*, edited by Hudson's Hillel Fradkin and Eric Brown, deserves an appreciative callout, as does the pathbreaking work by Nina Shea and Paul Marshall on religious freedom abroad.

Hudson's scholarly reach extends beyond national security policy, and it includes Tevi Troy's deconstruction of Obama Care, John Walters' leadership in fighting illegal drug use, the work of Bruce Cole and Judge Robert Bork on citizenship and preserving American culture and society. I can obviously go on praising Hudson scholars, but you get my point. The work of Hudson's Senior Fellows is unsurpassed for its importance, timeliness, scholarly rigor, and practical applicability. So, as proud as I am to receive the Herman Kahn award, I am equally delighted to be able to be here with you to pay tribute to the Hudson Institute.

In all of its research areas both foreign and domestic, Hudson is benefitting from, and paying tribute to, the legacy of its famous founder, Herman Kahn, as we saw in the great tribute here this evening.

Kahn, the great strategist and futurist, first achieved prominence during the 1950s. Now think back when, especially after the Soviet Union launched Sputnik, many analysts predicted a future of American decline and Soviet ascendancy. Kahn, however, was no declinist. His hopeful perspective on America's potential, grounded not in mere optimism, but in brilliant, meticulous, forward-looking analysis, remains relevant.

The challenges America faces today are unusually formidable. So it's not surprising that, once again, talk of America's decline has become common.

Even the most hopeful among us must acknowledge that America faces grave economic and social challenges. But American decline is not a foregone conclusion. Americans should not lower their expectations for this great country. We should not resign ourselves to a diminished and constrained role for the United States in the world of the twenty-first century. There are solutions if we have the insight and the courage to apply them.

Now some may favor the idea of a humbled, less powerful America, but this is a choice, not our fate. With better public policies and leadership, the United States can retain the kind of international leadership that produces greater security and greater economic freedom for us and for our friends.

For that to happen, among other things, we'll have to build twenty-first century economic policies, which means adapting to certain global and domestic realities.

To start, let's remember that capital is far more internationally mobile today than it was a quarter of a century ago. In the mid-1980s, corporate income tax rates were higher across the rest of the industrialized world. The U.S. rate was significantly below the weighted OECD average. Since then, however, corporate tax rates have fallen in Western Europe and Canada, even in places with famously generous welfare states like Sweden and Denmark. But the United States did not keep pace with other advanced Western democracies. America now carries the dubious distinction of having the OECD's second highest overall corporate tax rate.

And that is a greater problem today than it would have been twenty-five years ago. Because of capital's increasing mobility, the U.S. corporate tax system has become increasingly harmful to American competitiveness and economic growth. Right now, we have an archaic corporate tax system. It looks as if it were designed to chase away investment. The system is a complex mechanism that aims, among other things, to allow the U.S. government to play a key role in allocating capital in the American economy. But the government should not be playing that role. That is not its proper function and it does it poorly.

The globalization of capital markets makes it crucial for us to revise our tax policy— and our regulatory policy too. Excessive or misguided U.S. regulations do relatively greater harm now than they did in past decades.

We have ample evidence of this harm. Consider initial public offerings, IPOs. One recent study found the annual average number of IPOs in the United States dropped from twenty-seven percent of all IPOs worldwide during the 1990s, down to twelve percent during the period from 2000 to 2007. A few years ago, the bipartisan Bloomberg-Schumer report concluded that the relative decline of U.S. IPOs was at least partially attributable to “non-U.S. issuer's concerns about compliance with Sarbanes-Oxley section 404 and operating in what they see as a complex and unpredictable legal regulatory environment.” America cannot afford such self-inflicted wounds.

Getting the regulatory cost-benefit analysis right has become increasingly important to America's financial health. Unfortunately, Washington's recent attempt at reforming the U.S. financial system, the 2010 Dodd-Frank bill, served to increase uncertainty, to increase moral hazard, to increase economic distortions. That law should be repealed.

[Applause]

As for non- financial industries, a twenty-first century regulatory system should, among other things, avoid placing United States manufacturers at a competitive disadvantage in exchange for dubious environmental benefits.

A twenty-first century energy policy would allow the United States to tap its abundant domestic resources. Our current policy has placed massive oil and natural gas reserves off limits due to exaggerated environmental concerns, and has made a fetish of “green” energy.

The ongoing Solyndra scandal highlights the dangers of the federal government trying to pick the next big technology. Our energy policy should be driven not by political fads and special interest lobbying, but, rather, by free markets and the practical needs of the United States economy.

[Applause]

Just because the Chinese government is massively subsidizing solar energy doesn’t mean that the United States government should do so too. We must have faith in our capitalist system rather than try to mimic China’s command-and-control economy.

[Applause]

A couple of last words on the domestic side, about entitlement reform: Historic demographic shifts, our country’s surging healthcare costs, and very poorly designed systems—top heavy with government control—are straining Medicare and Medicaid. And Social Security cannot continue to fulfill its promises without long-term reform.

We need to fix our safety net so that it will prove flexible, affordable, and sustainable, amid unprecedented demographic shifts.

Yes, it’s politically hard to reform these entitlement programs, but it’s been done elsewhere. During the 1990s, both Sweden and Canada substantially reformed their welfare states in response to crises. Are we to believe that Stockholm and Ottawa can accomplish such changes but Washington cannot?

Economic policy plays a large role in our financial security; and, it also underpins our national security. An overburdened economy and ever-expanding welfare state are incompatible with America’s traditional global leadership role. If an outdated tax system, over-regulation, and unsustainable entitlement programs begin to swallow our economy whole, how will we afford a responsible foreign policy?

Some people are making a paradoxical argument now that sounds tough-minded but is really a pretext for weakening American defense. They start with a premise that the key to a strong America is a strong economy. Then they say that severe additional defense cuts are crucial to a budget deal that will help fix the economy. And, therefore, they argue that greater defense cuts will contribute to a stronger America. This is sophistry of the most reckless kind.

The United States does need to repair its economy, but there are serious national security threats facing America in the world, and it would be a bloody danger and a false economy to increase America’s vulnerability to such threats by imprudently cutting our national defense.



[Applause]

Our defense spending is not merely “nice to have.” It’s not optional in the sense that entitlement or welfare programs—even good ones—are optional. You build a defense budget by analyzing threats, determining what you need to deal with those threats—and then you fund it. Period!

Now let me offer a few comments about President Obama’s national security record over the past three years. On the surface, it appears to be a series of apologies for U.S. history, forfeitures of leadership, naïve blandishments to hostile dictatorships, affronts to important democratic allies, and occasional laudatory tough action.

Below the surface is a profoundly negative view of America’s role in the world in the last half century. The President and his national security team have for years espoused a commitment to serve what they see as progressive, global interests by limiting America’s ability to act independently in the world on the basis of our own national interest. Hence their push to incorporate the United States into more treaties, more international organizations, and a practice of subordinating U.S. interests to the views of other nations and to the United Nations Security Council, even on matters affecting our vital interests. If previous Presidents’ policies were based on American exceptionalism, this President’s are the antithesis.

To be sure, there have been some positive actions—Executive Branch officials have continued many of the successful anti-terrorism policies inherited from the Bush administration. President Obama has authorized drone attacks against dangerous terrorists such as Anwar al-Awlaki. And he deserves credit for approving the Navy SEAL mission that killed Osama bin Laden.

On the negative side, President Obama’s apology tour, including his famous Cairo speech in 2009, was a disservice to American history. The theory behind his *mea culpas* was that America deserved reproach for the many alleged wrongs that it had done to the world, especially to the Muslim world—and through confessional humility, the President would be able to win useful respect abroad and greater international cooperation to advance important interests, such as blocking Iran from obtaining nuclear weapons. The President gave his apologies, based on a fractured fairy-tale reading of American foreign policy over recent decades, but he never got the crucial cooperation he needed.

Continuing on the negative side of the ledger: The President has mistreated some important allies and neglected others. Israel is a prime example. No U.S. ally has suffered worse treatment from Washington over the past three years. Many people now assert that Israel has become unusually isolated in the world, and therefore, should make greater concessions to the Palestinians. I’d like to make just two quick points in response to this.

First, it’s not at all clear that Israel is unusually isolated. In fact, it was far more isolated in the 1950s—and in every decade since. Today Israel enjoys useful economic and academic and political and other ties with countries from India, China, and the former Soviet Republics. It has peace treaties with Egypt and Jordan, and very practical, informal relations with other Arab states in the Persian Gulf and North Africa. It has become an amazingly dynamic, technologically advanced economy. And it has a far richer set of public and private linkages with the United States—and a stronger base of popular support among Americans—than it ever did in the past.



Israel does face serious threats and challenges—including the Turkish government’s increasingly bold hostility, the potential for greater Islamist political power in Egypt, the growth of anti-Israeli political forces in Europe, and Iran’s steady pursuit of nuclear weapons. But it needlessly aggravates Israel’s challenges when commentators wrongly describe the country as isolated.

A second point: Israel’s great misfortune is that it does not have the power to make peace with the Palestinians. The West Bank and Gaza have rival leaders. Efforts to create national unity between the PLO and Hamas shifted the center of gravity of Palestinian politics not toward moderation, but toward Islamist extremism. For that matter, even when the reputed moderates controlled all of the land that Israel gave to the

Palestinian authority they rebuffed generous Israeli peace overtures from Ehud Barak, Ariel Sharon, and Ehud Olmert.

Perhaps the Palestinians will someday have leaders who want good lives for their people more than they want to destroy Israel. But until then, peace will be unavailable to Israel no matter how generous its concessions, short of the collective suicide of the Jewish state.

The U.S. alliance with Israel is in many ways a “special relationship” comparable to our partnership with Great Britain. Moving forward, the health of U.S. -Israeli ties will be a good barometer of our willingness to assert global leadership.

A final example on the negative side of the Obama administration’s national security ledger is the President’s dangerous naiveté about nuclear weapons and hostile dictatorships. Consider his “reset” policy toward Russia. White House officials have touted this policy as a grand success. To be fair, Moscow has become more helpful to our efforts in Afghanistan, and President Obama is happy he concluded the New START arms-control treaty with Russia, though I believe that the treaty was deeply flawed, one-sided, grossly oversold, and that the benefits are ephemeral.

Meanwhile, Russia continues to move backward toward autocracy. It continues to oppress and murder human-rights advocates. It continues to bully former Soviet Republics such as Ukraine and Georgia. It continues to oppose tough sanctions against Iran, and is now blocking sanctions against Syria. The reset policy was supposed to boost the stature of Russian President Dmitry Medvedev, but Medvedev will soon be demoted so that Vladimir Putin can return to the presidency. I remember my colleague John McCain saying he looked in President Putin’s eyes and he saw three letters, K-G-B.

[Laughter]

The naiveté that pervades the reset policy toward Russia likewise characterizes President Obama’s position on nuclear weapons. The President says the United States should move toward zero nukes. He says that American leadership will inspire others around the globe. I believe this is ahistorical and dangerous. His unrealistic rhetoric endangers America’s ability to preserve a safe, effective, and

reliable nuclear deterrent and has not translated into effective international cooperation, for example, to stop Iran's progress toward nuclear weapons.

[Hudson Senior Fellows] Doug Feith and Seth Cropsey, in their *Commentary* magazine article on the Obama doctrine this summer, analyzed the mix of ideology and pragmatism that has produced the administration's national security record over the last three years. They concluded that the President actually wants to ensure that the United States is constrained through institutions like the United Nations Security Council, through so-called "transnational" legal principles, through additional treaty obligations, and so on.

I concur that President Obama does not want American presidents in the future to have the flexibility and the independence to oppose what he considers to be enlightened policies of progressive thinkers regarding things like arms control, the laws of war, multinational control over natural resources, and similar matters. This is a fundamental challenge to the principle of American sovereignty. I see it as a very dangerous situation. It is one that will presumably grow if the President wins a second term and loses the concerns about reelection that have operated as an important check on his policies. Again, none of this is pre-ordained. Americans have choices, decisions to make about our future.

There is much more that could be said about America in the twenty-first century, but to return to where I began about the notion of inevitable decline, as Charles Krauthammer has noted, American decline "is not a condition." It is a choice. Our rise to superpower status was not preordained, and neither is any fall. If we remain true to our principles, elect strong leaders, and pursue wise policies that protect our security, and preserve the liberty of the American people, there is no reason that the twenty-first century cannot be another "American century." That is our challenge.

[Applause]

Herbert London,
Hudson Institute President Emeritus:



Ladies and gentlemen, it's a great honor to be with you tonight. A wise man once told me there were three important lessons to learn in life. The first is never climb a wall that leans towards you, the second is never kiss a woman that leans away from you, and the third is never speak after Senators from Arizona. [Laughter]

I'm in a very unfortunate position—not only is this the end of the evening but I'm speaking after the Senators. There's no doubt in my mind that we are privileged to be in the company of men and women who have served this country so effectively. Much has been made about this this evening and it is only appropriate that we regard these people who provide for our safety, our security, as those who lead us into the future.

Paul Valéry once made the comment, “the future is not what it used to be.” Indeed it is not. The future continually changes, and we at Hudson Institute are committed to shaping that future. We believe in peace through strength. We also believe in peace through sacrifice. We recognize full well that there are many in our midst who are engaged in sacrifice on behalf of our safety and our security.

We, as Hudson Institute members, never forget that. And for those of you who have been here this evening, please remember that we are privileged to have two extraordinary Senators in our midst, people who have served our country so effectively.

So I thank you for being with us this evening. I thank you for all that you contribute to Hudson Institute, and remember we are here to shape that future. Thank you for being with us this evening.

[Applause]