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The Wall Street Journal

A New U.S. International Economic =trategy

Robert B. Zoellick <<http://online.wsj.com/search/=erm.html?KEYWORDS=ROBERT+B.+ZOELICK&bylinesearch=true>>

Article 1.

Washington Post

Obama to make first trip to Israel, part of a potential 'new beginning' with region

Scott Wilson <http://www.washingtonpost.com/scott-wilson/2011/03/02/ABt5vmP_page.html>

President Obama will travel to Israel and the occupied Palestinian territories next month to make an early second-term push for peace negotiations between two divided governments and to assess the broader political developments remaking the Middle East.

It will be Obama's first trip as president to Israel, where suspicions run high in the aftermath of his unsuccessful early efforts <http://www.washingtonpost.com/politics/obama-searches-for-middle-east-peace/2012/07/14/gJQAQQjKIW_story.html> at Middle East peacemaking.

The choice of destination — one that Obama avoided in his first term — suggests a revival of his ambitions abroad after a year of virtual dormancy on foreign affairs. The timing also points to a willingness on his part to quickly reengage a politically volatile foreign-policy issue just months after winning his second term.

But the visit will highlight how much the region has changed <http://www.washingtonpost.com/politics/decision2012/us-tries-to-define-relations-with-evolving-arab-world/2012/09/14/c3bff286-fe8-11e1-b153-218509a954e1_story.html> since he last visited the Middle East in his first year in office, with the rise of Islamist governments and the widening repercussions of civil revolt.

After Obama helped topple Moammar Gaddafi in Libya in 2011, many in the region wondered when he would emerge again to help shape the course of the tumultuous Arab Spring, which has replaced a pair of U.S.-allied dictatorships with elected Islamist governments.

Within the Israeli-Palestinian conflict, much has changed since the direct peace talks Obama inaugurated in September 2010 <<http://www.washingtonpost.com/wp-dyn/content/article/2010/09/01/AR2010090106666.html>> collapsed within weeks. Israel's recent battle with the armed Hamas movement in the Gaza Strip left many predicting a wider fight in the future <http://www.washingtonpost.com/world/middle_east/some-in-israel-see-acquiescence-in-iron-dome-missile-defense-system/2012/12/08/5dc857f4-3d6-11e2-bca3-aadc9b7e29c5_story.html>, as divisions deepened within the Palestinian and Israeli electorates over whether talks or war would resolve the conflict.

"To make it a substantive trip that is more than a positive photo-op would require setting up a specific framework for an agreement and setting a tight deadline to achieve it," said Jeremy Ben-Ami, the executive director of J Street <<http://jstreet.org/>> a nonprofit group that advocates the creation of a Palestinian state alongside Israel.

White House officials would not provide a date for Obama's trip, which he will squeeze into the tight schedule he is building around a busy domestic agenda that includes immigration, guns and the economy.

But Israeli media reported that Obama is scheduled to arrive March 20 as part of a trip that will include a stop in Jordan, where the civil war in next-door Syria and its growing refugee crisis is presenting a major challenge to King Abdullah II, a U.S. ally.

Obama began his first term by making a strong push for peace talks between Israel and the Palestinians, believing the conflict fueled radicalism in the region in general and toward the United States in particular, given its historical support for the Jewish state.

In contrast to predecessor George W. Bush, Obama wanted to demonstrate to Arab governments that the United States would make demands of Israel in pursuit of a regional peace agreement.

Israeli Prime Minister Benjamin Netanyahu made little secret of his preference for Republican Mitt Romney http://www.washingtonpost.com/politics/decision2012/mitt-romney-palestinians-have-no-interest-whatsoever-in-establishing-peace/2012/09/18/5=185a12-0183-11e2-b260-32f4a8db9b7e_story.html in last year's U.S. presidential campaign. Netanyahu and Obama have at times disagreed bitterly over issues relating to the Palestinians, including Israel's continued settlement construction in the West Bank and East Jerusalem.

Israel's military occupied those territories, along with Gaza, in the 1967 Arab-Israeli war. Palestinians view them as the key territorial elements of their future state.

In a June 2009 address in Cairo, a speech that asked for a "new beginning" with the Islamic world, Obama said: "The United States does not accept the legitimacy of continued Israeli settlements." He also did not stop in Israel on that trip, instead visiting Saudi Arabia, Egypt and Germany, where he emphasized the horror of the Holocaust <http://www.washingtonpost.com/wp-dyn/content/article/2009/06/05/AR2009060500411.html> and the moral imperative of defending Israel. Romney, among others, made the omission http://www.washingtonpost.com/politics/in-israel-romney-wows-crods-but-puzzles-with-grasp-of-palestinian-relationship/2012/07/30/gJQAsBEJL_story.html a campaign issue.

But on regional security issues, Obama and Netanyahu have deepened cooperation amid rising U.S. military aid to Israel. Obama has agreed with Netanyahu that Iran must not be allowed to use its uranium-enrichment program to develop a nuclear weapon, an issue that the two will discuss during Obama's visit.

Netanyahu's Likud party emerged from elections last month as the largest bloc in Israel's parliament, meaning that he will serve another term as prime minister. But a surprisingly strong showing by a new centrist party is likely to put more pressure on him to pursue talks.

"It was a mistake for Obama not to go in the first term at a time when it could have affected Israeli public opinion of him, and now, it has hardened against him to a point that I don't believe it can," said Elliott Abrams, a senior fellow at the Council on Foreign Relations who served as a senior Middle East adviser to Bush.

Obama's visit will coincide with growing concern in the region that the two-state solution favored by him is in peril, as Israeli settlement construction continues and as the Islamist Hamas gains clout within the once-secular Palestinian nationalist movement. Hamas The Peace Processor http://www.washingtonpost.com/world/middle_east/in-gaza-surge-of-support-for-hamas-starts-to-fade/2012/11/29/adf3b9ac-3a2f-11e2-b01f-5f55b193f58f_story.html target=>

An interview by Aaron David Miller

February 5, 2013 -- Other than Mahmoud Abbas, Saeb Erekat could be the most recognizable Palestinian on the planet. The chief Palestinian negotiator is certainly among the most passionate in promoting the cause. And nobody on the Palestinian side knows the substance of the issue or the negotiating history better.

I first met Erekat in the late 1980s, while working on the Palestinian issue for then Secretary of State George Shultz. Back then, the U.S.-educated diplomat was already showing the brashness and outspokenness that would make him one of the most memorable -- if exasperating -- of the Palestinians with whom we dealt.

He annoyed then Secretary of State James Baker by wearing his kaffiyeh around his shoulders at the opening of the Madrid Peace Conference in October 1991. And over the years, he continued to annoy the Israelis too with his fiery performances on CNN -- though to this day, key Israeli negotiators, such as Isaac Molho, continue to praise his pragmatism at the bargaining table.

It was Erekat's academic bent, analytical chops, and capacity to write in English that would make him so indispensable to the only Palestinian who really counted in those days -- Yasir Arafat. Erekat was a unique figure -- neither a fighter (no *nom de guerre* for him), nor a PLO insider, nor an organization man from Tunis. Rather, he was a West Banker from Jericho, and he succeeded in maintaining his relevance in a Palestinian political scene dominated not by fellow academics, but by hard men defined by struggle and intrigue. During the heady days of the peace process, he became a key point of contact for the Americans, the Israelis, the Arabs, and much of the rest of the international community.

I came to know Erekat not only as a negotiator, but as a person. He sent his kids to Seeds of Peace, a conflict resolution and coexistence organization that I ran briefly after leaving the State Department, and my daughter befriended his and stayed with the Erekat family in Jericho. Saeed and I have yelled at each other, defended our respective positions, laughed, and mourned opportunities that were never adequately explored. But through it all, what he said about himself was true: He wasn't as pro-Palestinian or pro-Israeli as much as he was pro-peace.

That peace has proven elusive to this day. But with all our differences -- and there are many -- I believe Erekat believes in its possibility. Who else would list as an "objective" on his resume: "Solve the Palestinian-Israeli conflict based on a two state negotiated solution through diplomatic offices"?

If, or perhaps when another effort to negotiate a deal is made, one thing is clear -- Erekat will be in the middle of it. Last week, he agreed to answer my questions on the past and future of the Israeli-Palestinian problem.

FP: What were your best and worst moments in the Israeli-Palestinian negotiations, and what was the greatest missed opportunity?

Saeb Erekat: Though I was not the chief negotiator at that moment, the connection between [then Prime Minister Yitzhak] Rabin and President Arafat made everyone around them, including myself, feel that peace was possible. There was significant progress in all tracks until Rabin's assassination by an Israeli terrorist -- after he was killed, no Israeli leader had the vision to understand that the window of opportunity for a two-state solution would close as fast as they continued their colonization policies.

The missed opportunity has definitely been Israel throwing away the Arab Peace Initiative, which offers normalization of relations of 57 countries with Israel in exchange for Israeli withdrawal to the 1967 border. They threw it away by bombing Gaza, by intensifying collective punishments, and by increasing settlement construction all over the occupied West Bank, particularly in and around Occupied East Jerusalem.

FP: 2013 is the 20th anniversary of the Oslo negotiations. What was Oslo's greatest success, and its greatest failure?

SE: The fact that, two decades after Oslo, we are still under occupation shows that Israeli governments did derail it. The interim accords were not supposed to last for 20 years but only five. After that, we were going to enjoy freedom and sovereignty.

But Israel increased its settlement expansion. In fact, within 20 years, the number of settlers almost tripled. The institution-building efforts led by the Palestinian government have been completely undermined by the lack of freedom.

This situation cannot continue. Oslo succeeded in bringing back 250,000 Palestinians from the diaspora and building the capacity for our state. The international community failed though, by granting Israel an unprecedented culture of impunity that allowed them to use negotiations as a means to continue rather than stop colonization.

FP: What is the most important thing Israelis don't understand about Palestinians?

SE: That we are not going anywhere. As simple as that. We are not going to disappear just because their government builds an annexation wall around us.

They should close their eyes and imagine their state within 10 years time. What do they see? If they continue their policies, they are going to officially adopt the form of an apartheid regime, which I think is not what many Israelis want.

FP: What is the most important thing Palestinians have learned about Israelis?

SE: That Israelis will not take back the ships that brought them here to leave somewhere else. We got to understand that we have to live side by side. The rules of engagement, though, cannot be those of apartheid, but those of freedom.

FP: What do you expect from the next Israeli government on the peace process?

SE: I don't think there is room for optimism, but our position hasn't changed. We don't see any other solution than a two-state solution. Any Israeli government that recognizes this fact and respects what previous governments have agreed upon should become a partner for peace.

FP: Is Hamas-Fatah unity possible, and what would the impact be on the future of Israeli-Palestinian negotiations?

SE: We expect to have progress in the near future, with Hamas allowing the Central Elections Commission to register new voters in Gaza. I believe there is political agreement -- in fact, there is a signed agreement. We expect to have elections as soon as possible, which is the right way to solve our differences: Let our people decide, those in Palestine as well as our people in the Diaspora.

Having said so, Hamas has recognized the Palestine Liberation Organization as the sole and legitimate representative of the Palestinian people, including its mandate to negotiate a final status agreement with Israel. Once that is achieved, we expect to hold a national referendum.

FP: How would you describe Egypt's role in the peace process now? What do you expect from President Barack Obama's administration with regards to the peace process?

SE: Egypt has played a central role, and continues to do so. We trust that Egypt, under President Mohamed Morsy's leadership, will continue to play a strong role because Palestine and Egypt have a common interest in achieving peace.

President Obama had stated that he has a personal commitment to bring peace to the Middle East. We, the Egyptians, and the rest of the Arab world tell him that we are ready for peace. We have the Arab Peace Initiative. This goes in line with the stated U.S. national interest. Washington's failure to explicitly say that Israel is to blame for choosing settlements over peace has contributed to Israel's culture of impunity.

FP: Can America be an effective broker in negotiations?

SE: If the U.S. decides to be an honest broker, it could not only be effective but in fact could bring real peace to the region, a just and lasting one. The U.S. has a moral obligation toward the Palestinian people, who have been under occupation and living in exile for decades.

FP: Is a two state solution still possible?

SE: Yes, but only if there is a political will. So far, Israel's will is about colonization, and the international community has failed to put an end to decades of double standards by treating Israel as a state above the law. We don't see any other solution than a two-state solution, though Israel is taking us to a one-state reality.

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Article 3.

The Daily Beast

The Mixed Legacy Of Shimon Peres

Daniel Gavron <<http://www.thedailybeast.com/contributors/daniel-gavron.html>>

Feb 4, 2013 -- Now that he has finished his consultations with the country's political parties and charged Benjamin Netanyahu with forming a new coalition, Israel's respected President, Shimon Peres, is once again very much in the news. In his speech inviting Netanyahu to form the next government, the President spoke forcefully about peace and even seemed to influence Bibi to mention peace, a word he never used in his election campaign. Peres has rightly earned respect for this from many quarters, but now, as the coalition is being formed, it might be a good time to examine one aspect of Israel's political culture: the lack of respect for the task of a parliamentary opposition. Peres is at least partly to blame for this, as he almost always preferred to join various administrations—even as a junior partner—rather than lead the opposition, often citing “our grave situation” and “national responsibility.” Now is surely a better time to criticize Peres than in June, when the world (maybe even including President Barack Obama) will be coming here to celebrate his 90th birthday. Then, surely, everyone will be paying deserved tribute to the wisdom of this elder statesman and prophet of peace, and it would be a shame to spoil the party. So let's clear the air right now, well before the festivities. Before we get to the matter of coalition politics, which is very much on our minds right now as Netanyahu struggles to put together a government, let us consider the other negative part of the Peres legacy: his stint as Defense Minister under Prime Minister Yitzhak Rabin from 1974 to 1977. Today Peres is widely respected as the architect of the Oslo Accord of 1993, achieved while he was Foreign Minister. It was the first political move toward a settlement between Israel and the Palestinians, and Peres deserves huge credit for securing the agreement. However, two decades earlier, as Defense Minister, he supported the Jewish settlement project in the newly-conquered Palestinian territories, both overtly and covertly. Not for nothing did Rabin label Peres in his memoirs as “an indefatigable intriguer.” In 1975, while Rabin was doing his utmost to prevent the settlement of Elon Moreh, near Nablus, Peres continuously sabotaged his efforts. After no less than eight settlement attempts, which were ruled illegal by Israel's Supreme Court, a “compromise” was reached, and Elon Moreh was established five kilometers to the east of the original site. Moreover, during the furor over Elon Moreh, Defense Minister Peres quietly facilitated the creation of Ofra, near Ramallah. These two settlements, which have become flagships of the settlement movement, were the start of Jewish colonization in Samaria, the northern part of the West Bank. The previous year, as a young reporter, I interviewed Peres, after he and his political ally Moshe Dayan had refused “on principle” to join the government of Golda Meir. “If a single child can learn that politics is not just intrigues,” Peres told me, “I will be satisfied that we have done our bit.” Just one week later, when he and Dayan had reversed their position for no discernible reason, and were seated snugly around the cabinet table, I asked Peres what he had to say to the “single child.” His aides sniggered, but Peres didn't bat an eyelid: “Just what my mentor, David Ben-Gurion (Israel's first Prime Minister) told me: when the security of Israel is laid on one side of the scales, and everything else on the other side, security tips the balance.” Peres subsequently used that self-same argument to join every government that would have him. The late Menachem Begin lost nine elections before finally becoming Israel's Prime Minister in 1977. He served as a pugnacious and

dedicated leader of the opposition. Peres almost never headed the opposition, always preferring a ministerial appointment, once even designing a grotesque system of "rotation" with Yitzhak Shamir, so that he could be in the government. He proposed the ideal of "national unity," and greatly devalued the democratic concept of parliamentary opposition. Former Foreign Minister Tzipi Livni ruined her reputation when she refused to join Netanyahu in his last government. While it is quite true that Livni was an ineffective opposition leader, it is the very fact of her refusal to join the administration and "influence it from within" that has provoked most of the criticism by Israeli political commentators. Similar criticism is currently being leveled at Labor Party leader Shelly Yachimovich for stating clearly that she would not join Netanyahu's next government, but would serve as leader of the opposition. There are certainly many reasons to criticize Yachimovich, but not her eminently democratic decision to lead the parliamentary opposition. Very few of our political commentators have ever expressed respect or even understanding for the concept of opposition. The most popular political idea in Israel today is national unity—better still, a National Unity Government: "We should all rally round the flag and support our government in these critical times." This position, widely espoused, echoes what Peres has said repeatedly over the years.

So, although the Peres vision of peace is a positive legacy, he has also taught us less helpful lessons. The settlements are a supremely negative inheritance, but I would argue that the anti-democratic rejection of the concept of a parliamentary opposition is an even more harmful bequest handed down to us by President Shimon Peres.

Daniel Gavron, who lives in Israel, is a former journalist and the author of nine books, the most recent of which is Holy Land Mosaic, stories of cooperation and coexistence between Israelis and Palestinians (Rowman & Littlefield, 2008).

Article 4.

NYT

India vs. China vs. Egypt

Thomas L. Friedman

<http://topics.nytimes.com/top/opinion/editorialsandoped/oped/columnists/thomasfriedman/index.html>

February 5, 2013 -- New Delhi -- It's hard to escape a visit to India without someone asking you to compare it to China. This visit was no exception, but I think it's more revealing to widen the aperture and compare India, China and Egypt. India has a weak central government but a really strong civil society, bubbling with elections and associations at every level. China has a muscular central government but a weak civil society—yet one that is clearly straining to express itself more. Egypt, alas, has a weak government and a very weak civil society, one that was suppressed for 50 years, denied real elections—and, therefore, is easy prey to have its revolution diverted by the one group that could organize, the Muslim Brotherhood, in the one free space, the mosque. But there is one thing all three have in common: gigantic youth bulges under the age of 30, increasingly connected by technology but very unevenly educated.

My view: Of these three, the one that will thrive the most in the 21st century will be the one that is most successful at converting its youth bulge into a "demographic dividend" that keeps paying off every decade, as opposed to a "demographic bomb" that keeps going off every decade. That will be the society that provides more of its youth with the education, jobs and voice they seek to realize their full potential.

This race is about who can enable and inspire more of its youth to help build broad societal prosperity,” argues Dov Seidman, the author of “How” and C.E.O. of RN, which has an operating center in India. “And that’s all about leaders, parents and teachers creating environments where young people can be on a quest, not just for a job, but for a career — for a better life that doesn’t just surpass but far surpasses their parents.” Countries that fail to do that will have a youth bulge that is not only unemployed, but unemployable, he argued. “They will be disconnected in a connected world, despairing as they watch others build and realize their potential and curiosity.”

If your country has either a strong government or a strong civil society, it has the ability to rise to this challenge. If it has neither, it will have real problems, which is why Egypt is struggling. China leads in providing its youth bulge with education, infrastructure and jobs but lags in unleashing freedom and curiosity. India is the most intriguing case — if it can get its governance and corruption under control. The quest for upward mobility here, especially among women and girls, is palpable. I took part in the graduation ceremony for The Energy and Resources Institute last week. Of 12 awards for the top students, 11 went to women.

“India today has 60 million young people under the age of 25 and 225 million between the ages of 10 and 19,” explained Shashi Tharoor, India’s minister of state for human resource development. “So for the next 40 years we should have a youthful working-age population” at a time when China and the broad industrialized world is aging. According to Tharoor, the average age in China today is around 38, whereas in India it’s around 28. In 20 years, that gap will be much larger. So this could be a huge demographic dividend — “provided that we can educate our youth — offering vocational training to some and university to others to equip them to take advantage of what the 21st-century global economy offers,” said Tharoor. “If we get it right, India becomes the workhorse of the world. If we get it wrong, there is nothing worse than unemployable, frustrated youth.”

Indeed, some of India’s disaffected youth are turning to Maoism in rural areas. “We have Maoists among our tribal populations, who have not benefited from the opportunities of modern India,” Tharoor said. There have been violent Maoist incidents in 165 of India’s 625 districts in recent years, as Maoists tap into all those left out of the “Indian dream.” So there is now a huge push here to lure poor kids into school. India runs the world’s biggest midday lunch program, serving 250 million free school lunches each day. It’s also doubled its number of Indian Institutes of Technology, from eight to 16, and is planning 14 new universities for innovation and research.

But this will all be for naught without better governance, argues Gurcharan Das, the former C.E.O. of Procter & Gamble India, whose latest book is “India Grows at Night: A Liberal Case for a Strong State.” “The aspirational India has no one to vote for, because no one is talking the language of public goods. Why should it take us 15 years to get justice in the courts or 12 years to build a road? The gap between [youth] aspirations and government performance is huge. My thesis is that India has risen despite the state. It is a story of public failure and private success.”

That is what Das means by India grows at night, when government sleeps. “But India must learn to grow during the day,” he said. “If India fixes its governance before China fixes its politics that is who will win. ... You need a strong state and a strong society, so the society can hold the state accountable. India will only get a strong state when the best of society join the government, and China will only get a strong society when the best Mandarins go into the private sector.”

Article 5.

Don't be too sure there won't be another U.S. war in the Middle East

Richard L. Russell

February 5, 2013 -- Shortly before he left office in Feb. 2011, Defense Secretary Robert Gates told West Point cadets that "in my opinion, any future defense secretary who advised the president to again send a big American land army into Asia or into the Middle East or Africa should have his head examined," as General MacArthur so delicately put it. The remark no doubt reflected Sec. Gates's fatigue and frustration from the enormous intellectual and emotional burdens associated with overseeing the wars in Iraq and Afghanistan.

One suspects, however, that in a more reflective moment, Gates would have acknowledged that "never say never" is a wise rule of thumb in planning for military contingencies, especially in the region that makes up Central Command's area-of-responsibility. Few, for example, predicted the 1979 Soviet invasion of Afghanistan. Gates himself -- who was a senior CIA official during the covert war supporting the Afghan resistance -- did not anticipate then that the United States would have to return to Afghanistan two decades later to oust a Taliban regime that was harboring terrorists. Before 1990, moreover, no one predicted that Iraq, having just ended a bitter eight-year war with Iran, would swing its battered forces south to invade Kuwait.

So if it's conventional wisdom that the United States will not, or should not, intervene militarily in the Middle East or South Asia after it draws down forces in Iraq and Afghanistan, it's also likely dead wrong. What is true, however, is that political and military trajectories in the Middle East and South Asia are likely to increasingly challenge U.S. contingency access in the coming decade. The ability for the United States to surge large-scale forces into the region, as it did in the 1990 and 2003 wars against Iraq, will grow increasingly circumscribed. The United States will have to adapt to this new strategic landscape by developing more nimble, highly-mobile, stealthy, and networked forces, and by abandoning the traditional practice of slowly and steadily building up conventional forces at regional logistic hubs prior to launching war.

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Perhaps the most significant factor that portends against further intervention in the Middle East and South Asia is increased political resistance -- and outright opposition -- from the countries in the region. That resistance is likely to come from the new regimes emerging from the Arab uprisings, as well as a number of Gulf monarchies.

Indeed, the political trends in the region are unlikely to conform to the rosy predictions of democratic peace theorists, whose musings have implicitly informed the security policies of both Republican and Democratic administrations for decades. Old authoritarian regimes seem to be passing the way of the dodo bird, but the new regimes taking shape are heavily influenced by militant Islamic ideology that will make them less likely to engage in security or military cooperation with the United States.

Democracy optimists argue that these ideological regimes, once entrenched in power, will have to moderate their zeal in order to govern. Pragmatism will ultimately trump ideology. That line of reasoning, however, is based on the assumption that the policy decisions of such regimes can be explained by rational choice economic theory. In other words, if they want to attract international capital and participate in the world economy, they are going to have to break with their ideological affinities. But that reasoning ignores a hard fact of international politics: that time and again, political and ideological prerogatives trump economic rationality. It made little economic sense, for example, for Pakistan to pursue a nuclear weapons program in the 1970s, just as it makes little economic sense for Iran to do so today. Clearly, both Pakistan and Iran made major policy decisions based on political-military priorities rather than economic calculations.

As for the surviving monarchies in the Middle East, they too will likely be less accommodating to American military forces than they have been in the past. To be sure, much of the Arab support for past American military operations -- like both Iraq wars -- was hidden from the public eye. Arab states often loudly and publicly denounced "unilateral American" military action in the region at the same time as they supported it in backroom dealings, quietly authorizing facilities support and air, land, and sea access.

But if Arab Gulf states were quietly supportive in the past, their opposition to American military force is likely to grow in the future. They read the aftermath of the Arab uprisings much differently than did American and European policymakers. The Gulf monarchies were shocked that the United States "abandoned" Egyptian President Hosni Mubarak in his time of need in early 2011. Their leaders expected the United States to push for Mubarak and the Egyptian military to crack down on public protests in Cairo. After all, American policymakers during the Carter administration had at least given this policy option consideration during the Iranian revolution in 1979.

Already, several Gulf states have begun to translate their displeasure into policy independence from Washington. In 2011, for example, a coalition of Gulf states led by Saudi Arabia intervened in Bahrain to quell domestic unrest in the island country. They did so under the banner of the Gulf Cooperation Council (GCC), which for years had been a feckless military force. Largely unnoticed in Western commentary was that the GCC, for the first time in its history, mounted a relatively effective military intervention.

Bahrain today is for all intents and purposes a province of Saudi Arabia, even if it is not polite to say so in diplomatic circles. Since the Iranian revolution, Bahrain -- like the United Arab Emirates, Kuwait, Oman, and Qatar -- has pursued close ties with the United States, in significant measure to counterbalance Iran and Saudi Arabia. With Washington at their back, they were able to stake out security policies that were at least nominally independent from Saudi Arabia. When Saudi Arabia wanted American forces removed from the kingdom, for example, Qatar was eager to compensate by hosting a more robust American command presence in the region.

The Arab uprisings and subsequent GCC intervention in Bahrain have turned the tables, making Saudi security backing a necessity for the smaller Gulf monarchies. From their perspective, American forces are clearly more capable than Saudi forces, but given the alignment of their interests, Riyadh is a more reliable security partner. Gulf leaders and military commanders in the coming decade will be focused on how to avoid following in Mubarak's footsteps. Part of minimizing that risk will involve decreasing security dependency on the United States. Gulf leaders have to worry that if push comes to shove, the Americans will throw them under a bus just like they did to Mubarak.

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If the political dynamics in the Middle East and South Asia do not favor further American military intervention in the future, neither do the emerging military trends. The proliferation of supersonic cruise missiles and mines in the region will make for nasty forced entries http://centerforstrategicstudies.ksg.harvard.edu/publication/18409/closing_time.html into narrow maritime confines like the Suez Canal, the Red Sea, and the Persian Gulf.

But the likely proliferation of nuclear weapons -- and ballistic missile delivery systems -- will pose even more formidable challenges to conventional military surges in the region. In the future, the United States will not be able to take for granted unchallenged surges of naval, air, and ground forces into regional theaters via logistics hubs. These hubs -- like the American naval presence in Bahrain -- are large, readily identifiable, and will be increasingly vulnerable to future targeting by nuclear weaponry.

Iran's nuclear weapons, assuming it gets them, will pose a direct threat to American military surge capabilities. Although American policymakers and military commanders might feel confident that they could surge forces into the Gulf despite Iranian nuclear threats because of the American nuclear deterrent, Gulf security partners might be more nervous and less willing to cooperate. As a result, they might not grant access to U.S. air, naval, and ground forces out of fear of angering Iran.

American observers have no doubt that Gulf states would make such calculations should recall how Kuwait responded in the lead-up to Iraq's invasion in 1990. When faced with the build-up of Iraqi forces along its border, Kuwait decided not to mobilize its military out of fear that the move would provoke Saddam Hussein. The incentives for Gulf states to make similar strategic calculations in the future will be greater when Iran has an inventory of nuclear weapons to match its growing ballistic missile capabilities.

The Gulf states, moreover, will likely reason that the U.S. capability to threaten or use force against a nuclear Iran will be significantly diminished. Even without nuclear weapons, Gulf states have seen, in their view, a long history of American reluctance to threaten or use force against Iran. For example, the United States took no direct military action against Iran after it aided and abetted Hezbollah bombings against Americans in Lebanon in the 1980s, after Iran supported the bombing of Khobar Towers in Saudi Arabia in 1996, or even after Iran supported the deadly campaign of improvised explosive devices (IEDs) against U.S. troops in Iraq. Gulf states will no doubt judge that if the United States was unable and unwilling to attack Tehran under these circumstances, then it is certainly not going to attack Iran in the future, when it will be able to retaliate with nuclear weapons.

American policymakers may counter that Iran would never be foolish enough to threaten or use nuclear weapons against the United States, given its robust nuclear deterrence posture. But the threat or use of nuclear weapons might not look so foolish from Iran's perspective. One of the great strategic lessons drawn from the long history of conflict in the Middle East is this: Do not go to war without nuclear weapons, as Saddam Hussein did when he invaded Kuwait. The corollary is: Do not allow the United States to methodically build up forces in the Gulf prior to invading, as Saddam did both in the run-up to the 1991 re-conquest of Kuwait and in 2003, before the drive to topple the regime in Baghdad.

Drawing upon these lessons, Iran will likely do everything in its power to deny the United States the ability to surge conventional forces into the region -- and that might include threatening to target U.S. forces with nuclear weapons. Iran might accept the risk that preemptive use of nuclear weapons could bring on American nuclear retaliation, because failure to do so would mean certain destruction for the regime. The United States would be able to build up conventional forces in the region and oust Iran's leaders just as it did in Baghdad.

This line of strategic reasoning runs counter to conventional wisdom in the West, but we actually know little or nothing about what Iranian decision-makers think about nuclear weapons or deterrence theory. Since the Iranian revolution in 1979, opportunities for the exchange of professional views between Western and Iranian scholars, policymakers, and military leaders on these critically important issues have been extremely limited. Therefore, it's not unreasonable to assume that the Iranians, like American policymakers in the early stages of developing their nuclear triad doctrine, will think of nuclear weapons as merely "big artillery." Unfortunately, the United States and its security partners lack formal and informal exchanges with the Iranians akin to the Cold War discussions and arms control negotiations between the Americans and Soviets, which allowed both parties to develop mutual understandings of the other's perception of nuclear weapons. These understandings were essential for crisis management in the Cold War strategic relationship after the Cuban missile crisis.

Meanwhile, the Gulf states, led by Saudi Arabia, are likely to look for their own nuclear deterrents. Much like France wanted its own nuclear force de frappe during the Cold War, the Gulf states will want their own nuclear weapons to deter Iran. Saudi Arabia and the smaller Gulf states will worry that the United States would be deterred from coming to their defense in future regional crises by Iran's nuclear weapons.

Saudi Arabia and other Arab states are likely to see nuclear weapons as a quick fix for all of their security woes. Although they have been on a shopping spree in the past decade, buying expensive and sophisticated Western military technology, they have had a tough time absorbing the new technology and fully utilizing and integrating weapons systems. To be sure, in a rough net assessment <http://www.ndu.edu/press/lib/images/jfq-55/6.pdf>, Saudi Arabia and its allies in the Gulf have significantly greater conventional capabilities than Iran. But if Iran goes nuclear, they will want to follow suit.

* * *

Americans may be weary of conflict in the Middle East and South Asia, but strategic prudence demands that we contemplate future military interventions in the Central Command theater. A scan of the horizon reveals that both political and military trends in the region pose formidable obstacles to conventional force surges into the region.

But there is another wrinkle in this story that U.S. policymakers must contend with as they plan for the future. As Gulf monarchies seek to reduce their dependence on American military power, they will increasingly look to China for security assurances. China does not have a political agenda devoted to promoting democratization, and it maintains political and diplomatic ties with both Arab states and Iran. China's military activity in the region is modest but increasing, as evidenced by its recent peacekeeping dispatches to the region and naval port visits in the Gulf. Beijing is likely to send more naval forces to the Gulf to increase its presence there and enhance its ability to protect the sea lanes which bring oil to China's thirsty economy. China is keenly aware that the United States has naval supremacy in the Gulf, but will be working to erode that strategic edge in the future.

Faced with these realities, there is a need for new thinking and innovative conceptualizations of surges into Centcom's area of responsibility. Theater campaign planners will have to think about contingencies in which the United States cannot slowly and methodically build up forces in the region and then kick off campaigns after most troops, arms, and equipment are in place. Future U.S. force build-ups in the region will be far too vulnerable to preemptive nuclear strikes. As a result, planners will have to devise campaign plans in which the insertion of U.S. military forces begins with an immediate rolling and flowing start. The United States will have to work from smaller troop footprints and be prepared to start fighting even as follow-on-forces are on the way. Ideally, these forces would flow from multiple staging positions to reduce vulnerability to nuclear attack. The politics of the region, however, will work against securing a multitude of staging areas from which to deploy.

The region under the purview of Centcom has always been riddled with political violence that has posed formidable challenges to military operations. But in plotting a course over the horizon, the political and military obstacles for American military surges into the region are poised to grow even larger. As a result, theater contingency planners will have fewer good options for projecting American military power into the region -- and they'll have to do more with the bad and the ugly.

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Article 6.

The Diplomat

Getting to the Endgame With Iran <<http://thediplomat.com/2013/02/06/getting-to-the-endgame-with-iran/>>

Robert Dreyfuss

February 6, 2013 --Why did it take so long to secure a date for talks between Iran and the P5+1?

After all, in the weeks before the presidential election in November, it was reported that the United States and Iran had already tactically agreed to convene private, one-on-one talks. And since then the United States, the European powers, Russia, and China, all sought to arrange another round of negotiations, first in December and then in January. It now appears that Iran, which is about to enter its presidential election season, has finally agreed to what will be the first round of negotiations with the P5+1 since the last round in Moscow seven months ago. On Tuesday, Tehran announced <http://old.irna.ir/News/Politic/Next-round-of-Iran-G5-1-talks-to-be-held-late-February/80530492>

The negotiations will be a serious test for the Obama administration and for John Kerry, the new secretary of state. Previous rounds have all faltered because neither side was willing to make concessions to the other, and so far there is little sign that the United States and the P5+1 have improved their offer to Iran very much. As the talks were announced, the Washington Post reported http://www.washingtonpost.com/world/national-security/iran-agrees-to-new-nuclear-talks-with-us-other-world-powers/2013/02/05/d1587d2e-6fa4-11e2-aa58-243de81040ba_story.html : "The P5+1 powers have made only mild revisions to a proposal that Iran flatly rejected last June." Until now, the United States has been unwilling to acknowledge Iran's right to enrich uranium on its own soil and to suggest that some economic sanctions might be lifted as part of a deal, and Iran has refused to agree even to a limited deal called "stop, ship, and shut" – involving the suspension of its enrichment to 20 percent purity, shipping its existing stockpiles of 20% uranium to a third country for processing, and shutting down its underground facility at Fordo, near Qom – without an agreement to lift sanctions.

After the reelection of Barack Obama in November, there were great hopes that the president would have greater political freedom to offer concessions to Iran. Yet, publicly at least, the White House isn't signaling that it is ready to make a more generous offer to Iran, and in fact Obama in January signed into law yet another round of draconian economic sanctions.

Perhaps as a result Iran allegedly dragged its feet on setting a date for talks. Despite prodding from the P5+1 – including urgent efforts by Russia <http://www.reuters.com/article/2013/01/17/us-nuclear-iran-russia-idUSBRE90G0P420130117> – in January Iran reportedly went silent about talks http://www.washingtonpost.com/world/middle_east/prospects-for-nuclear-talks-with-iran-dim/2013/01/16/7f1113f4-5f42-11e2-a389-e565c81c565_story.html . Russia, increasingly frustrated by the inability of Tehran and the West to negotiate seriously, vented its frustration. "Some of our partners in the six powers and the Iranian side cannot come to an agreement about where to meet," Russia's Foreign Minister Sergei Lavrov told a news conference <http://www.ynetnews.com/articles/0,7340,L-4337898,00.html> . "We are ready to meet at any location as soon as possible. We believe the essence of our talks is far more important (than the site), and we hope that common sense will prevail and we will stop behaving like little children."

According to analysts in Washington, reinforced by comments from Iran itself, a big reason for Tehran's recalcitrance is that Iran wants to prove to the United States that its vaunted sanctions regime will not force Iran to make unilateral concessions at the bargaining table. In addition, Iran is concerned that it won't get much in return in talks with the West, and that it will be asked to make unilateral concessions on uranium enrichment without getting sanctions relief in return. Combined with Iranian internal divisions <http://www.nytimes.com/2013/02/05/world/middleeast/high-level-feud-bares-tensions-in-iran.html?ref=3Dtodayspaper> , as its own presidential election season gets underway <http://www.al-monitor.com/pulse/originals/2013/01/iran-p51-nuclear-negotiations-presidential-election.html> , that could mean that for the next six months or so Ayatollah Ali Khamenei simply won't be ready to talk seriously, despite scheduling the Kazakhstan round.

Others suspect that Iran is waiting to see how President Obama's new national security team – with Kerry as secretary of state, Chuck Hagel as secretary of defense, and John Brennan at the Central Intelligence Agency – will shape Obama's stance at any talks.

In Washington, some would argue there's a growing consensus, at the level of think tanks, Iranian experts, and other analysts, that a preliminary, first-round deal, including "shop, ship, and shut," might work, if in response the P5+1 could lift some of the economic sanctions on Iran and agree to limited Iranian enrichment.

Perhaps the best-case scenario is the possibility that there are ongoing, secret and back-channel talks between Washington and Tehran. Nothing along those lines has leaked and there is no indication of this, yet. But in advance of the first round of Iran-P5+1 talks in Vienna in 2009, the United States and Iran did indeed engage in quiet, behind-the-scenes diplomacy.

In fact, of course, any sanctions relief for Iran will occur slowly and step-by-step, not all at once, in parallel with steps taken by Iran and openness to more intrusive inspections and oversight by the IAEA.

But it's certainly not helpful that in early January yet another round of unilateral sanctions was passed by Congress <http://www.scribd.com/doc/114936491/Iran-NDAA-as-Filed-PD> and signed into law by President Obama. The complex set of new measures targets key industrial sectors, including shipping and imports of products such as aluminum, steel and coal, and seeks to block Iran from using barter commodities such as oil and gold to pay for imports. The http://www.washingtonpost.com/world/national-security/new-iran-sanctions-target-industry-in-bid-for-deal-curbing-nuclear-program/2013/01/06/e6a8735e-56b4-11e2-8b9e-dd8773594efc_story.html Washington Post http://www.washingtonpost.com/world/national-security/new-iran-sanctions-target-industry-in-bid-for-deal-curbing-nuclear-program/2013/01/06/e6a8735e-56b4-11e2-8b9e-dd8773594efc_story.html paraphrased U.S. official as saying that, "the new policies are closer to a true trade embargo, designed to systematically attack and undercut Iran's major financial pillars and threaten the country with economic collapse." Obama signed the National Defense Authorization Act (NDAA) that contained the sanctions provisions despite having hinted earlier that he might veto the <http://www.jta.org/news/article/2013/01/06/3116081/obama-nacts-new-iran-sanctions> NDAA over a host of measures contained in the bill.

If the Obama administration believes that ever-tougher sanctions will cause Iran to cave in at the talks, it's likely that they are badly misreading Iranian politics.

For many observers, however, and for Iran, too, the nomination of Hagel for secretary of defense may be a sign that the White House is beginning to realize that sanctions, and threats of military action, won't force Iran's hand.

As has been widely reported, hawks, neoconservatives, and members of the pro-Israel lobby in Washington have slammed Hagel for his past comments and positions on Iran. In conjunction with Israel-friendly members of Congress, they've warned Obama to rein Hagel in so as not to send a divisive signal to Tehran. Robert Satloff, executive director of the Washington Institute for Near East Policy (WINEP), a pro-Israel think tank, warned bluntly http://www.washingtonpost.com/opinions/hagels-nomination-raises-doubts-about-obama-on-iran/2013/01/17/d1cb9756-5da6-11e2-9940-6fc488f3ecd_story.html that the White House should act quickly to make sure that Hagel backs away from his previous views on Iran and at least toes the administration's tougher line. "If the White House does not take steps soon to correct that impression, the chances for a negotiated resolution of the Iran nuclear crisis will fall nearly to zero and the likelihood of Israeli military action will rise dramatically," he wrote.

Indeed, within days of his nomination as secretary of defense, Hagel was already backing away from his earlier views http://www.huffingtonpost.com/2013/01/09/chuck-hagel-iran_n_2443090.html, meeting with senior Pentagon officials and influential senators who'll vote on his confirmation to clarify his view on Iran, asserting that he supports broad international sanctions against Iran and that he believes that the military option ought to be "on the table." Several Democratic senators who met with Hagel announced with satisfaction that the former senator from Nebraska

had sufficiently backtracked or “clarified” <http://www.washingtonpost.com/politics/congress/kerry-def=nds-hagel-in-face-of-gop-criticism-over-nuclear-weapons-stand/2013/01/24/7=733bb8-6644-11e2-889b-f23c246aa446_story.html> his views on Iran. Consequently, they announced that he had earned their support – and their vote.

Then, during his confirmation hearings on January 31, Hagel – under hostile questioning from several Republican senators – backed away from earlier-held positions on Iran, including the role of sanctions. And, though he previously been a sharp critic of a military attack on Iran – in his opening statement <<http://foxnewsinsider.com/2013/01/31/transcript-defense-scy-nominee-chuck-hagels-opening-statement-at-senate-confirmation-hearing/>> Hagel said: “I am fully committed to the President’s goal of preventing Iran from obtaining a nuclear weapon, and—as I’ve said in the past—all options must be on the table to achieve that goal. My policy is one of prevention, and not one of containment—and the President has made clear that is the policy of our government. As Secretary of Defense, I will make sure the Department is prepared for any contingency.”

Satloff’s views were echoed by another tough-talking official at WINEP, former Ambassador Dennis Ross, a pro-Israel hawk who served as Obama’s top adviser on Iran during much of the president’s first term. “I think 2013 is going to be decisive,” Ross told the <<http://www.latimes.com/news/opinion/opinion-la/la-ol-iran-nuclear-crisis-20130114,=3842481.story>> Los Angeles Times <<http://www.latimes.com/news/opinion/opinion-la/la-ol-iran-nuclear-crisis-20130114,0,3842481.story>> , expressing concern about Hagel’s previous comments. “Time really is running out. For diplomacy to have a chance of success, the Iranians need to understand that if diplomacy fails, force is going to be the result. We still have a challenge to convince the Iranians that we’re quite serious about the use of force,” he said. “In the first term, the administration didn’t always speak with one voice on this issue. So what Hagel says can make a difference.”

Despite his poorly received performance at his confirmation hearings <<http://www.washingtonpost.com/blogs/the-fix/wp/2013/01/31/chuck-hagel-was-bad-and-it-doesnt-matter/>> , it’s widely believed in Washington that Hagel will be confirmed as secretary of defense and that his private advice to Obama will more closely hew to his long-held belief about the futility of sanctions and the grave downside to a military strike. Partly for that reason, it remains very unlikely that the Obama administration will resort to force to resolve the dispute with Iran. In fact, in remarks that Iranian officials cited as promising, Vice President Joe Biden expressed the administration’s willingness to hold bilateral talks with the Iranians. In response to a question at the Munich Security Conference Biden said <<http://www.whitehouse.gov/the-press-office/2013/02/02/remarks-vice-president-joe-biden-munich-security-conference-hotel-bayeri>> , “We have made it clear at the outset that...we would be prepared to meet bilaterally with the Iranian leadership” when Iran’s Supreme Leader Ayatollah Ali Khamenei is serious about negotiations. Iran’s Foreign Minister, Ali Akbar Salehi responded favorably and said <<http://www.jpost.com/IranianThreat/News/Article.aspx?id=3D302076>> , “I am optimistic, I feel this new administration is really seeking this time to at least divert from its previous traditional approach vis-a-vis my country.”

But if Washington remains committed to ever-tougher sanctions – and without promising Iran that sanctions will be lifted as part of a deal – then negotiations are unlikely to succeed. Vali Nasr, another former Obama administration official with expertise on Iran, suggested recently that there’s not much more the world can do to sanction Iran, and that such penalties could drive Tehran to take radical action. The regime of sanctions against Iran over its nuclear activity “really has reached its end,” Nasr <<http://bcnews.go.com/International/wireStory/expert-iran-sanctions-end-effectiveness-18294468>> , dean of the Paul H. Nitze School of Advanced International Studies at Johns Hopkins University, said during the World Economic Forum in Davos. And he warned that unless there is a diplomatic breakthrough – or, alternatively, an attack on Iran – “you really are looking at a scenario where Iran is going to rush very quickly towards nuclear power, because they also think, like North Korea, that (then) you have much more leverage to get rid of these sanctions.”

Robert Dreyfuss is an independent, investigative journalist in the Washington, D.C. area, who writes frequently for The Nation, Rolling Stone, and other publications. His blog, The Dreyfuss Report, appears at TheNation.com. He is the author of 'Devil's Game: How the United States Helped Unleash Fundamentalist Islam'.

Article 7.

The Wall Street Journal

A New U.S. International Economic Strategy

Robert B. Zoellick <<http://online.wsj.com/search/term.html?KEYWORDS=ROBERT+B.+ZOELLICK&byline=search=true>>

February 5, 2013 -- Five years into the global economic storm, America's traditional allies, the European Union and Japan, are struggling. Developing economies are reshaping the global dynamic but also face big challenges. The United States is the one country that could lead the modernization of the international system so as to supply security, economic opportunity, and prospects for liberty. America's own strategy for economic revival cannot be limited to the nation's borders. And its future foreign policy—its projection of power and principle—must be grounded in the emerging economic order.

President Obama has said he admires Ronald Reagan's transformative thinking. If so, he should ask for an assessment of Reagan's second-term innovations on currency and monetary affairs, trade, debt and development. Reagan advanced a new international system to match the revival of capitalism after the oil shocks and stagflation of the 1970s. America's success in the 1980s contributed both to the end of the Cold War, by persuading the Soviet Union it could not keep up, and to two decades of exceptional global growth.

The new U.S. international economic strategy should have five parts. First, this country should strengthen its continental base by building on the North American Free Trade Agreement with Canada and Mexico. Together, the three partners could boost energy security, improve productivity, and give North Americans an edge in manufacturing and other industries that are already experiencing rising wages in East Asia. A politically acceptable immigration policy, and a push for educational innovation using new technologies and competition, would lead to a more prosperous, populous, integrated and democratic future for the hemisphere.

Second, the extraordinary monetary policies of late, led by the Federal Reserve's continued near-zero interest-rate policy, are taking us into uncharted territory. Central banks have tried most every tool to stimulate growth; if Japan is any warning, the next tactic is competitive devaluation, which risks a new protectionism. "Currency manipulation" could become a danger that reaches far beyond the debate about Chinese policies. The world economy will need at some point to withdraw the drug of cheap money and negative real interest rates. The U.S. should anticipate these dangers.

The International Monetary Fund also could help set standards about exchange-rate policies and serve as a referee that blows a whistle, even if it cannot penalize. The IMF and the World Trade Organization should anticipate this risk and give effect to the existing WTO agreement that economies must "avoid manipulating exchange rates . . . to gain an unfair competitive advantage."

Third, the U.S. needs to break the logjam on opening markets. As the leading world economy, America should initially try to strengthen and increase international trade through the WTO. As my colleagues at the Peterson Institute have pointed out, there are gains from the stymied Doha Round of trade negotiations that should be harvested now: ending agricultural export subsidies; limiting food export controls; eliminating tariff and quotas for almost all exports of the poorest countries; facilitating customs and clearance procedures; and improving the transparency and speed of the system for settling disputes.

Next, the U.S. needs to keep the WTO current with a vastly changed world economy. The past WTO agreements are valuable for all 158 WTO members. But some economies want to go further by reducing barriers in important sectors such as the services trade, environmental goods and services, government procurement, and the digital economy.

The services trade, for example, is vital for boosting innovation, productivity and jobs in developing and developed countries alike—but regulatory, licensing, zoning and other barriers to services are often equivalent to a 30% tariff or higher. Because liberalization in the WTO has been stuck, countries have turned increasingly to bilateral and multilateral free-trade agreements, some of which have addressed these newer topics. The U.S. should foster the WTO principle of world-wide liberalization by adopting standards in various industries and sectors that would be open to all economies that reciprocate. The WTO also needs new rules for fair trading by state-owned enterprises.

Yet the U.S. also should use free-trade agreements to open markets. Trade competition advances structural reforms and growth without bigger government and more spending. The Obama administration has talked about trans-Pacific and trans-Atlantic accords. Yet it has failed to close even one new free-trade agreement. Ron Kirk, the president's trade representative, said in 2009 that the administration did not have "deal fever." In fact, it has been "deal delinquent."

Fourth, gender equality is not only fair and right—it is smart economics. No economy can reach its potential if it overlooks the talents of half its people. The U.S. should lead in identifying structural barriers in countries that hold back girls' and women's health, education, credit, jobs and entrepreneurship.

Finally, the U.S. needs to match growth priorities of developing economies. President Obama should expand the global food-security initiative he announced in 2009 to boost agricultural productivity and production across the value chain, including through the private sector, in sub-Saharan Africa and other poor regions. Infrastructure investment could increase global demand today while building productivity for tomorrow.

The U.S. can lead a push with middle-income economies to develop public-private infrastructure models that move from "one-offs" to a deal flow. The zero return for savers from U.S. monetary policy can make infrastructure investments attractive.

In addition to offering financing, the private sector can improve the design, operation and maintenance of infrastructure. As the state of Indiana has shown, the federal government could profitably use public-private partnerships for its infrastructure, too.

The administration has talked about some of these topics. But it is oddly passive, as if it were hesitant to lead. State Department speeches are not enough. To carve out an international economic strategy, the new secretary of the Treasury needs to choreograph policies across all U.S. departments and with multilateral economic institutions. The U.S. had better wake up: International economic strategy is the new foreign policy.

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