



THE DITCHLEY FOUNDATION

**53rd Annual Lecture
Saturday 8 July 2017**

'In Defense of Globalism'

Delivered by The Honorable John F. Kerry

Globalism Strikes Back!

Secretary John F. Kerry delivered the 53rd Ditchley Annual Lecture on 8 July 2017 and argued powerfully that, whilst the economic and social pain and fear that have prompted political upheavals in the UK and the US are all too real, the economic nationalist and neo-populist response is wrong and dangerous. It risks releasing the demons of nationalism, prejudice and dictatorship that wrought havoc on the world in the 20th century of Kerry's childhood.

Kerry proposed instead not a continuation of politics as usual but a doubling up of the developed world's bet on the promise of globalisation through the creation of "a Marshall Plan for the 21st century". This would mean cooperation with China as a partner to develop "the largest public-private partnership the world has ever seen." He envisioned a "truly global and forward looking initiative that would bring off the sidelines some of the \$12-13 trillion that today is sitting in net negative interest status around the world." The aim would be to strike at the roots of extremism and despair by developing education and job opportunities around the world.

Another driver for this campaign would be adaptation to the "wave of technological transformation" that is bringing about a "tectonic shift in the workplace", which risks leaving too many people behind. At the heart of all this should be the move to clean energy which has the potential to become "the largest market the world has ever seen", as well as helping us avoid the worst impacts of climate change and take out "insurance on Planet Earth".

No country could meet these challenges alone. Working together internationally is essential. The multilateral institutions that created a new world after World War II must be reimagined and rebuilt, not blamed, ignored or destroyed.

Kerry concluded with a call for hope and optimism in troubled times, recalling Nelson Mandela's famous words after 27 years in jail, "It always seems impossible until it is done."

James Arroyo, Director, Ditchley

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The Honorable John F. Kerry

John Kerry served as the 68th U.S. Secretary of State from 2013 to 2017 following nearly three decades as a United States Senator from Massachusetts, including serving as the Chairman of the Senate Foreign Relations Committee. He is a decorated Vietnam War veteran, leading environmentalist and was the 2004 nominee for President of the United States.

Ladies and gentlemen, distinguished guests, also members of the diplomatic corp.

I am in awe of anybody coming out on a Saturday in a suit and tie in this beauty. You are all masochists, I can tell. I am really grateful, and particularly grateful to George Robertson for his very generous introduction. This is a great honour for me. I had the privilege of sleeping in Winston Churchill's room last night. I kept waiting for him to arrive, figuring he would, but there was no such apparition.

Bottom line, this is a very, very special place. It's a beautiful day to wander around the grounds and to feel the history of this extraordinary place. It's special for all of us, I hope. And, for our purposes, I think it is very meaningful to know that we are piggy backing on the backdrop of some extraordinary history – and none more so than the twelve or so long weekends Winston Churchill spent here at the height of World War II, when the Tree Family lent it to him as a wartime retreat. All of you know that the reason was that, that was a time of great testing. The war was not going well at that moment. The Royal Air Force had warned Churchill that Chequers was just too inviting a target for the Luftwaffe, and so it was here – away from the bombs of the war – that he came to get away, but not from the burdens of war obviously. He planned, he plotted, provided strategy and savvy, courage and conviction and together with Franklin Roosevelt, these two men found a way to forge ahead.

It is only fitting that the Ditchley Foundation presses forward today as a steward, the steward perhaps, of transatlantic cooperation, and in particular the US-UK relationship. It is a relationship – it gets repeated often, we talk about it – that is really unlike any other in the world, when you think about it, for the size of economies and size of the influence of our nations. And it has endured, in fact emerged even stronger over the years.

Few people epitomized that relationship more than Sir Winston Churchill and Franklin Delano Roosevelt. On Churchill's first visit to the White House in December of 1941, President Roosevelt one morning decided to surprise the prime minister with a personal greeting. He rolled his wheelchair up to the Monroe Bedroom, where Churchill was staying and he opened the door only to find the prime minister totally butt naked, glistening and pink – fresh out of his morning bath. Immediately, Roosevelt, sort of embarrassed, started to reverse his chair, avert his gaze and started to apologize – but Churchill stopped him and said, "Pray enter! His Majesty's First Minister has nothing at all to hide from the President of the United States!"

I just want to clarify – that is not why the term "special relationship" was created!

But for anyone who has studied that period, it is quickly evident really why that was so special, that Churchill and Roosevelt really understood inherently, not just the value of the relationship – but the raw necessity of it.

They really didn't know each other before they assumed power, both of them, but they became fast friends. And it was precisely because they grasped the magnitude of the challenges that lay in front of them. Together, they charted a course that was neither easy nor politically expedient. It was here at Ditchley that much of the Lend-Lease Programme negotiated between the UK and the US was accomplished, much opposed by the people in the US, as you know. But it would change the course of the war, which is what Roosevelt understood it would do. That's instructive: FDR and Churchill made decisions based not on their own ideology, but on what they knew was needed in such a dark time. And in doing so, they demonstrated extraordinary leadership for everyone who follows them.

Their partnership stands in such stark contrast to the haphazard, helter-skelter of today's tweets and insults. And what is tragic, if not damning, is that too many people on both sides of the Atlantic – people who know better – are willfully ignoring that reality. Leaders in a number of countries, but especially mine, are publicly walking on eggshells, feigning oblivion to the obvious, pretending not to see all the indicators that scream for a change of course.

Meanwhile, all over the world, the ghosts of conflicts past – virulent nationalism, authoritarianism, prejudice and sectarian divide – have reappeared in modern but no less vicious or dangerous guise. In many countries, political movements have arisen that advocate – directly or indirectly – not a coming together but rather a splitting apart. And there are malign forces in the world gaining a foothold, eagerly anticipating and encouraging the demise of the institutions that our predecessors struggled mightily hard to put together.

So I would respectfully caution, here at Ditchley: Do not diminish or forget the danger of this moment. Do not forget for an instant what happens when fear about economic circumstances is exploited by rank demagoguery and a combination of sectarian, ethnic and religious distortion. Indeed, we have lived through this before, and Europe, as much as any place in the world, has lived the consequences. That is why I think there is such a powerful argument that this is not the time to break apart. It's the time to lift up and reconnect to the same principles and values that united us in history's most perilous moments, precisely because they are as relevant and compelling today as they were when they triumphed over chaos, anarchy and fascism in the Twentieth Century.

Perhaps this Continent's and other places' stability over the last seventy-plus years has dulled people's memory and allowed the current world order to be taken for granted. But decades ago, for families like mine and millions of others, everything felt uncertain. My grandfather was an American businessman who spent much of his life working overseas. He raised his family of 11 children, including my mother, mostly in Europe. She was born in Paris but lived between the UK in Kent and Surrey and a small village in the Brittany region of France called St. Briac. Thankfully my mother and the rest of her family fled as the Nazis were making their way through France, and they escaped before the troops reached St. Briac, occupied their home and turned it into their local headquarters. Only years later, as the Allied troops closed in for the liberation, would the Nazis finally be forced from that home – and as they retreated, they set our house on fire and bombed it to the ground. Partly because they had heard that our family knew Winston Churchill.

I was born during the war, and only two years after it ended, when I was a little over four years old, I visited St. Briac with my mother. It was the first time she had returned since the occupation, and she wanted to see what had happened to the house she loved. I can still remember landing in France, overwhelmed by the sounds of a different language, the different smells, and I can very much feel the broken glass crunching under our shoes as I held my mother's hand and we walked through the wreckage of the house – what used to be their living room. Almost nothing was left of her home – just a stone staircase rising up into the sky and an old brick chimney, standing in the debris.

That is my earliest memory. It was soon followed by visits to the beaches of Normandy, playing in abandoned German bunkers. Later I moved to the divided city of Berlin with my parents. I grew up smack in the middle of the Cold War. And I'm glad I have those memories. I mention them today for a purpose, because like most in my generation, I developed early a visceral understanding of how close the world came to total chaos and destruction and how essential allies and alliances dedicated to order and openness and transparency and accountability and democracy and decency really were: not just to avoiding that tipping point, but to putting the world back together again – and making sure that never – never – again would we come so close to some kind of intolerable alternative.

We were blessed to be given a new world through the sacrifices and example of the greatest generation, but we were also taught a lesson, at least I feel I was and I think you do, that every generation has to do its part and aspire to be the greatest.

We are reminded by that lesson that the world order that exists today didn't just emerge out of the blue, folks. It was built carefully, over time, out of necessity – by free nations that knew too well what happens when aggression goes unchecked, when there is a reluctance to fight to promote and uphold democratic values like human rights and respect for the rule of law. The security alliances that exist today, the multilateral organizations, the rules-based economic system – all of it was built to stabilize the world after the global conflagration of World War II – and to apply the lessons of history so we might prevent such a fire from erupting again.

And guess what, leaders of today? It's worked. It contained and ultimately helped defeat the Soviet Union, rebuilt a free Europe a second time and welcomed the former Soviet states into the warm embrace of the Continent, and responded to Kosovo and Bosnia to ultimately bring resolution to new and perilous threats to life and dignity. In fact, during the journey of that last seventy-plus years, we have seen the most sustained period of economic growth in history, crafted new principles for governing relations among nations, and set out a moral and legal framework for safeguarding the fundamental rights and dignity of all people.

The irony is, perhaps in part because our global system has been effective in fostering an enduring peace, many today seem to have lost the tragic awareness of peace's fragility – the awareness that I think we here feel so personally.

And as a result, in Europe, in America, and everywhere it seems, there is a growing constituency for a kind of neo-populism that argues that the very alliances and organizations that protect us are somehow part of the problem. Many are again drawn to the glow of the fool's gold that tempts with the promise that if we just retreat within our own borders, if we loosen our ties to each other and to the rest of the world, we can do better going it alone and focusing on our own societies. Brexit's bitter taste is still fresh for many here. To some in Washington today, being called a "globalist" is an insult of the highest order.

But let me just state as clearly as I can, here at Ditchley, an important place to have this kind of conversation: history tells us starkly – that it's not any of those choices that will "make America great." That's how you make America cut-off, alone, and vulnerable to threats that have no respect for borders. That's how, in a time requiring urgent response to a whole set of problems, we lose opportunity and time. And that's how you leave our allies and our friends, who count on consistency and strength of leadership from the United States, reeling in a dangerous swirl of uncertainty and doubt. And none of this makes any of us stronger or safer.

So, what do we do? What do we make of this new movement away from what we here value so deeply – and what do we do now?

Well, first I would remind all of us to take a deep breath. This is not the first time the global order has been questioned. In 1969, while I was on a Navy gunboat in Southeast Asia, the Ditchley Lecture was delivered by McGeorge Bundy – one of the “best and the brightest” who had been a chief architect of the war in which I was serving. Bundy came to this very spot and said, “What has to be asked in 1969 is whether American commitment can be trusted. There is a test of internal stability going on in my country, and it is more searching and more shaking than anything we have known since the Great Depression... We have our work at home cut out for us. The American center is hard pressed today. If the center does not hold – and even move forward – then there could come a day when the commitment of the United States would become doubtful, because of a new American radicalism, or undesirable, because of a new American reaction.” I don’t know what kind of crystal ball he had.

So Bundy was right – it was a divided America, a distracted America, an America becoming disillusioned with broken promises and lost faith in institutions. A seemingly endless war can do that, folks. But what strikes all of us decades later is that America made it through those difficult times – because of the resilience of those same institutions. And the worst of Bundy’s worries for the transatlantic relationship did not come to pass because, in the final analysis, for all the temptation to turn inwards or turn away – again and again, we found we needed each other.

So, count me as an optimist, even about this time now.

But count me also as someone who believes deeply that finding the path forward is not automatic. It doesn’t just “happen.” You can’t win an argument if only one side is arguing at all – and nostalgia alone is no antidote to neo-authoritarianism. We must provide an alternative that is tangible – not theoretical.

We need to offer more than talk about values and architecture. We need to make what we stand for as real as it is relevant. We need to provide proof not just philosophy.

And all of this begins by acknowledging that the world we are dealing with today is a lot different today than the world of 70 years ago.

We are living in the midst of global change on the scale and scope of the Industrial Revolution – but that emerged over decades. This is happening at digital pace. We’ve never experienced so many simultaneous tugs at the fabric of everyday life. For many, there is a natural rebellion, a sense of helplessness – a sense that one just doesn’t know how to keep up. For others, there’s a retreat into false perceptions of greater comfort and security in the past.

But in the end, this fear of the future, dashed economic aspirations, gridlock of governments, broken promises, stark societal inequity punctuated by increased work with decreased return, huge disruption in the workplace and social structure – all of this has combined to create a massive erosion of institutional legitimacy. On top of that, true civil discourse – the very heartbeat of democracy – is today a rarity, eroding right alongside trust. Our politics have become almost exclusively accusatory and bombastic. We leap to a conclusion – “I’m right! You’re wrong!” – without any intervening exchange. What we see today is uncivil, superficial – certainly not rigorous and almost all of it reduced to *ad hominem* attacks. In the end, we are left asking, how you can make a decision if you can’t even decide what the facts are?

As we gather here at Ditchley 2017, it is clear that governance around the world is facing new and old challenges at the same time. And governance, writ large, is in crisis. After all my years in public service, I will tell you, I leave it sadly more convinced today that it is not

government that will solve some of the largest challenges we face – it is the private sector. And we will talk about that in a minute in terms of energy and other choices we face. Our institutions – both domestic and global – need to be updated. And the doing of that, I would emphasize, is the exact opposite of walking away from the system we have worked so hard to establish.

The plain fact is that in the interconnected world in which we live today, slowly but inexorably, a dangerous, simplistic appeal to the lowest-common-denominator of political instincts is supplanting history and common sense. In too many places, a 21st-century demagoguery has been deployed to void real thinking, to gain power, to avoid fact based choices, to appeal to a false sense of safety and comfort. Who, after all, can credibly argue that each of our nations, operating completely on its own in an individual silo, will somehow be more efficient and effective than building on the basic structure of cooperation that produced unparalleled progress since World War II?

All of my experience over 50 years of public service – beginning in my early 20s that George (Robertson) referred to – makes me even more deeply committed to the course we set out on in 1945. That, and I hope some hard-learned common sense, makes me feel that. But I also understand that if all people feel us offering is a defense of the past, then we are in trouble. Demagogues, who can never provide a better future, will have a clear opening to prey on peoples' fears.

The question isn't, as we heard from Poland the other day, whether the West has a will to survive. The question is plain and simply whether our leaders will lead in the right direction.

Leadership, that's what we need – that understands the absurdity in hoping that globalization will somehow just go away, or evaporate, or that you can bring a wall down and shut out globalization in a world where 95 percent of the customers live in another country.

The starting point to turn things around is to understand and acknowledge that the deep frustration so many of our citizens feel is not unwarranted. The opposite is true. It is more than warranted. Today's frustration and anger is completely legitimate and frankly, far too long sidelined or ignored, sometimes I might add with an arrogance that pours fuel on the fire. The anger and frustration is as real as it gets.

I saw this almost everywhere I traveled as Secretary and before as Senator. People are fed up and alarmed by corruption, by inequality, and by terrorism on their streets. The consequences of technological change have added to our unease despite the associated benefits that technology brings. The catastrophe in Syria and the global refugee crisis have raised questions about our collective ability to cope. People fear that fierce global competition is going to drive them from the workplace and that their schools and communities will be transformed by migrants and refugees.

This churning has made the job of shaping world events even more complicated, and made it harder for governments to deliver for their citizens the most basic needs and functions – from enforcing the rule of law, to providing security, to enabling citizens to pursue dreams with hope and optimism.

I remind you, the transatlantic partnership came together – not just to sail along in the best of times – but to have each other's backs when the seas are rough.

So my friends, we need to remember who we are, whom we stand with and what we do – and we need to go out and do it. We need to offer proof that our combined leadership isn't just ONE way to solve problems, and solve them with less bloodshed and less treasure depleted – it's the ONLY way.

Of course, there are demagogues from the left and the right who fan the fears of change and who believe that bluster – often tinged with bigotry – will expand their own power. And sometimes they win elections.

But in the end, believe me, it comes back to us – in the end the burden is on us to prove that the best way to meet the demands of our citizens and the tests of our societies is together.

I have absolutely no doubt about that stand, nor should you I think. The biggest difference we can make in how our fellow citizens and others view the future is to actually start doing more to shape it, rather than just being shaped or buffeted by it. The biggest difference we can make in restoring faith or trust in governance is to make government do things that actually make a positive difference in people's lives. And that is possible. We've done it for centuries. When we choose to. I believe a few issues in particular stand out as connected – yet distinct – that are generational tests – starting points for making this difference. And significantly, they all demand urgent and unified action by the global community, because they cannot possibly be solved by one country alone. Just can't be done. Each of these tests is frankly going to take years and not just a few days. All will have to matter to every one of us, because they are the challenges that will shape the world our children and grandchildren inherit.

The first thing we have to do is a better job of organizing a global response to defeat the forces that seek to impose a radical, violent extremism on people everywhere.

It's important to remember that one of the primary reasons that organizations like the UN and EU and NATO were created was to acknowledge and protect the sanctity of borders in an organized way. Today, that principle is under attack – both from non-state actors like Daesh, Boko Haram, Al-Shabab, Al-Qa'ida, who have no respect for the civilized world, and sometimes unfortunately from major state actors, like Russia in Ukraine.

Confronting Daesh on the battlefield in Iraq and Syria is critical – but it is only the beginning of what we have to do, my friends. And this is where we have to stop and start getting more honest with each other, more practical. As Henry David Thoreau wrote: "There are a thousand hacking at the branches of evil, to only one who is striking at the root." So we have to strike more effectively at the root causes of this violent extremism.

We all know that some extremists, without question, are driven by tribal or sectarian allegiances. Others, in response to decades of oppression or alienation, embrace a violent nihilism as a result. We have seen that with Assad's iron-fisted rule in Syria, where there is a synergy between Assad and Al-Qa'ida. To this day, Assad and Daesh feed off each other, with the cruelty of each driving the desperate people into the poisonous embrace of the other.

Still others, like those who attacked on September 11, 2001, are educated and well off. They were radicalized by ideology. And still others have become terrorists because they are alienated from society or from government – they hope that groups like Daesh will somehow give them a sense of identity, purpose, or power.

So we need to do a better job – not only on coordinating our efforts on the immediate security frontier and destroying the cells of people who are not persuadable – and regrettably they exist. We also have to do what Thoreau said: hack at the root. And the way we hack at the root is by doing a better job around the world of rooting out virulent corruption and putting the spotlight of accountability and transparency on the bad governance that persists in too many places. If I was stunned by anything as Secretary of State, it was the amount of corruption. They are stealing the future of the people in state after state. They can take billions of dollars out, put it into a legitimate bank somewhere and get away with it.

There is no question in my mind the global community can care more about and do a better job of building a strong, sustainable, global economy that unlocks opportunity, rather than stifling it.

Remember, the Tunisian spark that set off the Arab Spring was a fruit vendor and he wasn't motivated by Jihadism. He wasn't motivated by anything religious. He was tired of getting slapped around by a police officer and of paying a bribe so he could sell his fruit where he had traditionally sold his fruit. That's how it began. And the kids in Tahrir Square, they weren't Jihadis. They were texting each other and organizing and brilliantly excited about the future. And the same thing happened in Syria. When they went out they were met by Assad's thugs and when the thugs initiated a reaction by the parents of those kids, they came out and they were met by bullets.

It really isn't as complicated as some people presume. Perhaps that's a lack of people willing to agree on what the facts are. When people – and particularly young people – have no faith in legitimate authority – when there are no outlets for people to express their concerns – frustration festers. History is full of the stories of those revolts. And no one knows better than violent extremist groups, which regularly use indignity and marginalization and inequality and corruption as recruitment tools.

We all know that any government's most basic duty is to provide for the needs of its citizens. When governments are fragile and leaders incompetent or dishonest – when the gap between the rich and the poor grows and the space for basic freedoms shrinks – when corruption is not an aberration, but an entrenched part of society – it's impossible to meet the aspirations of your citizens.

Even as we face this increased challenge of failed or failing states, we are also experiencing this wave of technological transformation. In country after country, ideas are moving faster. People are moving faster. Poor people in a country where they have no job, have a smartphone, and they get to see what everyone else in the world has and therefore to know what they don't have. And that makes governing far more complicated. And the other thing that's coming at us faster is the inability of governments to respond.

And in the midst of this tectonic shift in the workplace, too many people have been left behind. I'm not at all surprised that a lot of folks want just to stop the world of globalization and get off.

Many people who were hurt in the 2008 economic implosion are still feeling pain. In the United States, your average family suddenly found their house worth half its value, but, guess what, they were stuck with 100 percent of a whopping mortgage. That's a pretty simple recipe for a lot of anger. That and the fact that despite working harder – maybe two or three jobs – people still don't get ahead. Trade has become the culprit, the target, but here again politicians are exploiting rather than leading. It's technology – not trade – there are some problems with some trade rules but that's not the fundamental reason. The principal reason we lost 85 percent of the 5.6 million manufacturing jobs that hemorrhaged in the first 10 years of this century was because of technology. Technology is transformative obviously, but if it was your job that disappeared and nothing replaced it – guess what? You won't find much comfort in the fact that the same technology that stole your job now gives you a smartphone that lets you binge-watch a future that you and everybody you grew up with are never going to get.

It's not just the United States that is caught in this paradox. There was a fascinating and revealing moment in the election in France, during the presidential race. The neo-populist Marine Le Pen visited a factory and promised to bring back those old jobs at the factory. Every economist knew those jobs weren't ever coming back. Macron visited hours later and

he told those workers – I can't bring back those jobs, nobody can. She was a demagogue. He told the truth – and he won. But how long can you hold a society together on the hard truths alone – when what people need and they need to know is that, in return for hard work, they can actually take care of their family? And what now will Artificial Intelligence do to an equation that we have relied on for years? In the United States our entire retirement system, our entire work system is built on the notion that the current generation pays in and takes care of the prior generation. That's how it works. But what happens if they are not working? As Secretary of State I held a major conference at MIT in my last months with experts who analyzed this and you had variances – some predicted a seven percent turnover of the workforce, others predicted it could be 47 percent turnover. The most we have really managed is about 6 percent.

But on the other hand there is reason for optimism. In the early 1900s in America 50 percent of our workers were in agriculture and today it's two percent. And look at the growth we have gone through. We have four and a half percent unemployment right now – almost full employment. I am confident that if we make the right choices we can manage that transition.

The shared task our governments face is not to make false promises that they can't possibly honor. It's to find new ways to unleash the next wave of innovation and jobs that will lift all of our people up together.

This means demonstrating a laser-like commitment to economic growth that benefits the many and not just the few – growth fostered by early childhood education, lifelong learning, and apprenticeship programs. It means making it easier for our entrepreneurs to turn good ideas into new companies that will pick up the employment slack as older industries phase out. It means adjusting to the so-called "gig economy," by taking advantage of flexibility without allowing it to undercut benefits. It means increasing our investment in basic research and public infrastructure. And it means seizing the incredible opportunity that is staring us in the face to revolutionize the way that we produce and use energy – so that green technology becomes both a driver of economic growth and a means for preserving the health of our planet.

It also means prioritizing trade discussions – not weakening standards or undoing regulations – on the contrary, to lift up environmental and labor standards in all our nations and showcase the dynamism of our model of democracy and free markets, and demonstrate its preeminence when it comes to economic standards.

There are no instant solutions to all of this; no magic wands. But if we look back through history, we will see that adjusting to technology and to the shifts in how people earn a living has been a constant fact of life. Every era is accompanied by the predictions of massive unemployment, food dislocation. Let's go back to the 1960s and remember the population bomb and all the other things we had coming at us – future shock.

But each era has witnessed a massive innovation. Now we humans are, at the bottom line, a remarkably resilient species and I believe we ought to look forward with confidence to what we can do. We demand a steadiness of effort – but one that is based not on the gridlock of our political systems certainly and the problems we are facing in a lot of other countries – but real political choices. I don't think we can make this happen without fully understanding the link between economic policy and foreign policy. In today's world they are one and the same. Foreign policy is economic policy and economic policy is foreign policy. The stability of the global economy and the opportunities afforded to everybody has implications on the security of communities in every single corner of the world. Remember the song from World War I, 'Over there'. There is no over there anymore. Over there? Here is everywhere. That's how connected we are.

While we do this, we need also to remember some of the other choices we make. You know, it's one thing to put the onus on Arab countries on violent extremism and radicalization. But just infusing more weapons into the Gulf is not going to solve the problem of a region that needs to create more than 60 million new jobs in the next decade – just to keep pace with the number of young people that are entering the workforce. Worldwide, there are nearly 2 billion people who under the age of 15. 365 million of them do not go to school. They are the prime targets for the recruiters for extremism. In the Middle East, that includes about three out of every 10 people. These booming youth populations deserve and need a quality education, skills for the modern world, and jobs that allow them to build a life and possess confidence in their future.

That is not a task that can fall on their own governments alone – nor should it frankly. In today's globalized, super connected world – it matters for all of us, and we all ought to do something. Surely the countries that have been willing to spend trillions of dollars – I think we spent about 3 trillion in Iraq and Afghanistan – to kinetically battle extremism, really ought to begin to prefer to see their money preventing tomorrow's extremism by offering young people the promise of modernity and good governance – not the destruction of strapping on a suicide vest and blowing themselves and the innocent to Kingdom Come.

So how do we do that? Here, too, I want you to remember our history. When our planet was emerging from the darkness of World War II, America switched on a light called the Marshall Plan. Between 1948 and 1951, the United States invested between 12 and 13 billion dollars in the recovery of Europe. That may not sound like a gigantic amount to you today, but it was the equivalent of about 120 billion in today's dollars. More importantly, it was about 720 billion dollars as a percentage of GDP today. It's not surprising that in the United States the Marshall Plan was never very popular. But, that is, it was not popular as an idea. I got news for you: it became mighty popular, as a result: millions of jobs lifted people on both sides of the Atlantic and across the world. Wars that didn't have to be fought because of increased stability are hard to measure but I think they are real.

What we need today – and I come here to Ditchley to put an idea on the table; I talked about it a little bit at the Kennedy School and I want to add a little more detail here today – what we need today is not the Marshall Plan of the 20th century; we need a new plan for the 21st century – a plan that starts by recognizing the reality, and it is a reality, that no government in the world alone has the ability to move fast enough or move big enough. We need to meet today's development challenges – those 365 million kids who won't go to school, all these people who need jobs – we need to meet it with the same determination that characterized the original Marshall Plan – but this time we need a plan that spans sectors. One that is focused on – not bypassing – developing countries. There is no other way to achieve genuine peace in the world.

At its core, what I'm talking about is – the antithesis obviously of what our current administration is discussing – I'm talking about the largest public-private partnership the world has ever seen. Working with the World Bank and other financial institutions, I envision a truly global and forward-looking initiative that would bring off the sidelines some of the \$12-13 trillion that today is sitting in net negative interest status around the world. Combining forces – governments, investment funds, international financial institutions, philanthropies that could play a critical role in reducing critical risk; that could make deals that aren't quite commercially viable, commercially viable. We could take the most powerful economies in the world, to do more to facilitate investment into education, health care, clean energy, connectivity, and infrastructure of all kinds. Every billion dollars in the US that you spend on infrastructure puts somewhere between 27,000 to 35,000 people into work. Such a coordinated approach could help create the confidence necessary to produce a legitimate return on investment.

One of the ways that we could leverage this is to build a partnership between the developed and near-developed countries. In meetings I've had with the Chinese, beginning with my first trip when we combined forces to help move on Paris and make Paris a success, the Chinese agreed it would be groundbreaking and important if our two governments were to cooperate on development projects. I welcome the Asia Infrastructure Investment Bank as a critical part of this kind of initiative and I believe that building on that partnership with the Chinese, using the same approach that we did in the climate negotiations, could leverage sustainable investment on a global basis through the Chinese Belt and Road Initiative and other initiatives like it.

We also know that capital doesn't move without some level of confidence. Capital seeks its fastest return on investment or its safest return on investment or a combination of the two. That's how it works. We can grow confidence and make deals commercially viable by bringing those philanthropies to the table to be first money in and last money out. They make grants – if the grants are part of the deal, it changes the bottom line of the deal. We can work together with countries to limit the political risks that often get in the way of people's confidence on investments in another country. By agreeing on standards internationally, the plan will require greater transparency and accountability from developing countries and use fin-tech to assist in beginning to deal with the problem of accountability and transparency and corruption. And when countries like the United States, the UK, China and India leverage these investments to overcome the virulent bad governance and corruption that costs the global economy more than a trillion dollars a year, then more capital will be excited to invest with urgency. That's how it works. There is a real way to counter extremism that goes beyond just more police on the streets and the fights. We need those – I am not saying that we don't. But there is much more to it and that is not sufficiently on the table today. I think that is an indispensable strategy for prosperity and a legitimate vision. I think Americans and people around the world could embrace it because it will create jobs everywhere.

It matters that economies around the world continue to grow – but it also matters how they continue to grow. Which brings me to the final generational challenge that I want to just mention. It is imperative we turn today's climate crisis into tomorrow's clean energy revolution and that we do so much faster than the current course.

Let me be crystal clear: President Trump's decision to withdraw from the Paris Agreement is an unprecedented forfeiture of American leadership. And you cannot save western civilization if you don't save the planet itself.

Those who have spent a lifetime fighting on this issue know that America pulling out of Paris will not only result in lost influence, which some may not regret at all, but it will also result in lost momentum which everyone may come to regret, if the world doesn't press forward faster.

I assure you, science tells us, facts tell us -- as President John Adams once said, "facts are stubborn things" – facts tell us we'll see stronger storms, much more storm damage and public expenditure as a result. We spent 27 billion dollars cleaning up after ten storms two years ago. We will see more intense droughts, more impact on food production, more wildfires, which we are already seeing, more strains on agriculture and fishing. Already we see levels of acidification because of the CO₂ in the ocean changing and events in the ocean itself, whole species moving. A swell of climate refugees, and, as military brass of both of our nations and other countries have been warning us over the years, intensified conflict around the world.

The decision to pull out of Paris, unsupported by any science, fact or peer reviewed study, cloaked in an outright untruth about the impact of this agreement on America – because it does not require us to do anything, the President can change whatever he wants – is a

global stain on our credibility and unbecoming of an office as important as President of the United States.

This is to say nothing of the opportunity cost the United States will face if we were to walk away from the clean energy market of the future – the largest market the world has ever known. The market that made my state quite wealthy during the 1990s, and America did pretty well in the 1990s, was the technology market, in Massachusetts. It is a one trillion-dollar market with one billion users. The energy market is already a multi-trillion dollar market with four to five billion users and it is going to grow in the next 20 to 30 years to nine billion users. This is the largest market the world has ever seen.

The good news my friends is – but let me just say, I went to Antarctica last year as Secretary of State. I was literally in a plane flying to the Antarctic when Trump was elected and I thought seriously about staying. But I thought better to come back and join the fight.

I went to Antarctica because I visited Svalbard with my friend the Foreign Minister of Norway and then Greenland. I watched calving taking place over the Ilulissat ice fjord: 86 million metric tonnes of ice breaking off every single day, falling into the fjord. 86 million metric tonnes, to give you a sense of that, is enough water to take care of New York City for an entire year. Each day. The scientists said to me there that you have to go to Antarctica really to see the canary in the coal mine and to understand what's happening and so that's what I did.

Three miles deep of ice sheet in places – with instability which comes as a consequence of warmer water going in underneath the ice sheet. We had a 'break off' the size of the state of Rhode Island a few years ago. Another instability crack has shown up. We are talking about the potential of dozens and ultimately hundreds of feet of sea level rise if that happens.

So what's important to understand is that, while the President made the decision to get out, it doesn't take effect until the day after the 2020 election and the new President can make the decision to get back in within 30 days. More importantly than the schedule, the President's decision complicates the U.S. climate effort, it doesn't kill it. I'll tell you why.

Even before the Trump Administration walked away from Paris, 29 U.S. states, including California – the sixth or seventh largest economy in the world – passed renewable portfolio standard laws. Another eight have adopted a voluntary standard. In total, those 37 states represent 80 percent of the U.S. population and America is not going to cede leadership even if its President has. We will live up to Paris. We are already half way to our targets. More than 1200 entities – major corporations, Google, Apple, Exxon Mobil, a whole bunch of others; and mayors of cities, New York, Boston, Chicago – have all committed to live by Paris and meet the goals. And so in the days following the announcement these governors, these mayors, businesses, investors, and colleges and universities – everybody came together to announce that "We Are Still In." And I'm committed to helping these organizations and more to demonstrate to the world that we intend to "Live By Paris," with or without Washington. America is not going to abandon the global community and put its children and grandchildren at risk. The President may turn his back on proven facts but I am happy to say America will not.

Last year roughly twice as much money was invested in renewables capacity worldwide than in fossil-fuels. For the first time in history in America and the world more money went into renewables than into fossil fuels. I am convinced that leaders everywhere are seeing these opportunities. We are seeing it with Modi in India with their advancing plans to install 100 gigawatts of solar capacity by 2020. Chinese President Xi Jinping recently announced a \$361 billion investment in clean energy. I am confident that is why so many businesses in the world are saying the future is not in fossil fuels, the future is in clean energy.

So I have no doubt that we will get to the global, low-carbon economy we need to get to.

I do not know for certain if we will get there in time. And that should motivate every single one of you.

The question I have is whether we're going to make the transition fast enough to prevent the worst of what a changing climate could inflict upon us all. No scientist can tell you with certainty what the rate or numbers will be, but I know that the last ten years have been the hottest decade in human history; last year was the hottest year in human history; last July was the hottest July in human history; and the ten years prior to that was the second hottest in human history; the ten years prior to that was the third hottest in human history; and anyone with common sense says something's going on.

And when you add it to the science and the scientific predictions, we people in public life have a fundamental responsibility to apply the precautionary principle. You buy insurance on your home, you buy insurance on your car, we need to buy insurance on Planet Earth. When the worst that can happen to you from these decisions we need to make is that people will have more jobs, we'll have cleaner air, we'll have fewer kids hospitalized because of environmentally induced asthma, we'll live up to our environmental responsibility, we'll have clean jobs, we'll have better security, we won't be dependent on irrational countries for our fuel. Run the list! That's the worst that could happen to you.

If the other guys are wrong and we're right on what's happening – and we are – guess what, catastrophe! Life as you know it on this planet. You know what happens.

If you look at every one of the challenges I've mentioned today – extremism, governance and economic stability, climate change – they are all intertwined and all of them are challenges that we human beings have somehow catalyzed. And what mankind has created, mankind can correct – usually.

The solutions aren't a mystery. But I tell you we have to think carefully about all that we have overcome in the past, so that we have more confidence as we tackle the future.

Seventy-five years ago, millions of refugees were streaming not into Europe, but out – seeking refuge from a confrontation with fascism that would climax in unprecedented savagery and the Holocaust.

Fifty years ago, half of Europe lived behind an iron curtain.

A quarter century ago, Europe witnessed a brutal campaign of ethnic cleansing that would rage for years.

We found our way through each of these challenges, and we did it together. The transatlantic bond has endured not because we have somehow been immune to tragedy and strife. We are strong because we are resilient; because we made it through these difficulties; because in decade after decade we have stood together to defend a set of values – security and our prosperity came out of those values being applied in the choices we made. We have resisted attempt after attempt to divide us; and above all, we are strong because of the core beliefs that keep us together.

And anyone who is persuaded by those who argue instead for a nationalistic approach to the exclusion of these values, I ask you to just think where the world would be if the United States and Europe had listened to those who want to divide us; if we had been constantly at odds over the years instead of almost always together. We would never have placed before the world the example of freedom in action that has helped to triple the number of

democracies over the last quarter of a century. We wouldn't be investing now in assisting our friends in Afghanistan to defend their country against violent extremists, send their girls to school, and sustain a viable and representative government.

We wouldn't have led as effectively on the development that helped to cut in half – when I was growing up in college, 50 percent – severe poverty on this planet. Well we have cut that in half, more than half, we are now down to below ten percent for the first time in human history.

We have helped to cut in half the number of women who die during childbirth by 50 percent and the number of infants who perish because of malnutrition by 50 percent.

We wouldn't have joined in driving the percentage of people who live in extreme poverty down to below ten percent without all of the initiatives which require a global and multilateral approach.

We wouldn't have helped our West African partners just two years ago to defy predictions and save hundreds of thousands of people who were at risk from Ebola.

And we wouldn't have combined forces with the global health community to turn the tide in the fight against HIV/AIDS, so that we can look forward now to the first generation of children born AIDS free in more than three decades.

So, again, I am not cynical about the future: I am confident. Today – almost 70 years after I walked through that rubble at St. Briac – I see a very different picture from the world I was born into. When I look across the Atlantic from either direction, I see a vast community – more than a billion free men and women – advocating and pushing each day on behalf of democracy, equal opportunity, freedom of speech, freedom of thought, freedom of religion, freedom to organize, environmental preservation, respect for the fundamental rights and dignity of every human being, and earnestly desiring – for themselves and for all people – the blessings of peace.

We have our work cut out for us – yes. But it's important to remember that the transatlantic partnership is not a trophy from the past that we can put on a mantle in a beautiful home and admire once a year – it is a living, breathing, multi-faceted endeavor. We have to renew it with each generation and refuel every day with our energy, our ideas, our resources, and – above all – with our collective determination.

If you ever think that's not true, just remember what Nelson Mandela said after 27 years in prison, "It always seems impossible until it is done."

Thank you for the privilege of being with you.