

RELEASE IN PART
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From: H <hrod17@clintonemail.com>
Sent: Friday, October 7, 2011 8:16 AM
To: 'JilotyLC@state.gov'
Subject: Fw: economy speech

Pls print.

From: Mills, Cheryl D [mailto:MillsCD@state.gov]
Sent: Monday, October 03, 2011 05:31 PM
To: H
Subject: FW: economy speech

From: Sullivan, Jacob J
Sent: Monday, October 03, 2011 5:04 PM
To: 'Jim Kennedy'; Mills, Cheryl D; Benaim, Daniel
Subject: RE: economy speech

+ Dan B.

From: Jim Kennedy [mailto:]
Sent: Monday, October 03, 2011 5:02 PM
To: Mills, Cheryl D; Sullivan, Jacob J
Subject: economy speech

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This (see article below) looks promising, if it's happening as described. If I can be useful with one-liners, etc., feel free to let me know. 'It's the economy, stupid' applies to more than presidential campaigns. A healthy economy is the bedrock of a healthy society. And the values intrinsic to America's identity in the world - particularly freedom and opportunity - are best transmitted along power lines of economic prosperity.

The Clinton doctrine on economic statecraft: Clinton moves to put economics at center of U.S. foreign policy agenda



By Laura Rozen | The Envoy - 3 hrs ago

There's a good deal of public bluster in the rounds of U.S. foreign policy-making. Witness New York Democratic Sen. Charles Schumer's recent threats to introduce legislation to sanction China for allegedly undervaluing its currency and running up the U.S. trade deficit.

But as a practical matter, the delicate work of managing relations with an economic superpower such as China--a principal creditor of the United States--falls to America's top diplomat, Secretary of State Hillary Clinton. But if she has her way, she'd like more of a say.

If the fight against terrorism dominated American foreign policy in the decade after 9/11, the decade ahead could well be defined by efforts to manage the U.S. role in the global economy. And Secretary Clinton would, in that scenario, play a prominent role in advancing a new economic outlook in U.S. diplomacy, based on the forces of globalization and free-trade. It stems from initiatives her husband, former President Bill Clinton, helped launch.

And in many ways, Hillary Clinton's diplomatic portfolio is increasingly indistinguishable from many of the leading challenges in global economic policy. Trade issues obviously have a direct impact on America's efforts to emerge from the present economic downturn--from the battles over the national debt to the the need to stimulate job growth. But economic issues also shape other less-noted features of the American foreign-policy agenda, be it the effort to contain fallout from Europe's debt crisis, to the rise of major economic powers such as China, Brazil, Turkey and India--all of whom come bearing their own foreign policy ambitions.

As a result, diplomats say, economic and foreign policy are growing ever more co-ordinated, as they develop the same basic aims. "The trading floor is increasingly replacing the battlefield as the forum for state contacts," according to one of Clinton's State Department advisers, who spoke on condition of anonymity so as to describe the department's economic plans more broadly.

So Hillary Clinton has been working hard to beef up the economic bench strength of the State Department, while also mounting a bid for State officials to play a more decisive role in determining U.S. global economics policy. Aides expect her to lay out what they are calling the "Clinton doctrine on economic statecraft" early this month, likely in a speech in New York. Timing and venue for the address are still being worked out, her aides say.

"This is coming from a sense that we are seeing the lines between national security and economic security blur as emerging powers are doing more to advance their economic power, and fitting their national security strategy is more about economic interest," the State Department adviser told the Envoy Friday.

A key precept behind this effort is to address a kind of cultural lag in the world of Washington. Lead policy makers may recognize the pivotal role that economics plays in global diplomacy--but in many ways, the diplomatic bureaucracy needs to catch up. Clinton's planned speech is in large part a call to her own agency's ambassadors, diplomatic staff and analysts to shift their thinking.

And as Secretary Clinton lays out the policy in more detail, she will stress two main bulwarks, aides say. First, she will highlight the need to advance relations with the wider world as part of the effort to revive the American domestic economic order. And second, she will stress that State Department diplomats and foreign policy thinkers need to work harder to understand how market forces are driving first-order national security challenges in hot spots such as Afghanistan, Iraq and Iran.

Clinton's strong interest in global economics issues is hardly a secret. She has denied persistent rumors that she has her eye on the World Bank chief job when Robert Zoellick's tenure ends next fall.

But such Beltway speculation aside, it's hard not to notice the many ways that Clinton has started to sound like a World Bank or Treasury official as she holds down her present job at the State Department. And she's also managing the department with a clear eye toward bulking up its economics portfolio. She has made several recent hires in her corps of advisers, all sharing backgrounds in economics and finance. She has also launched a new energy security bureau--headed by special envoy/coordinator Carlos Pascual, the former U.S. ambassador to Mexico, and aided by deputy assistant secretary Amos Hochstein. She's also brought on a deputy secretary of state for management and budgets from Wall Street (Morgan Stanley's Tom Nides). And she has also been pushing for the State Department to work more prominently in framing American economic policy objectives more broadly. That means, in part, engaging in an inter-agency battle over who gets more clout in discussions of U.S. international economic policy. Treasury Secretary Timothy Geithner, U.S. Trade Representative Ron Kirk and Clinton are all in the heart of this scrum; Clinton's aide won't handicap her chance of winning--they're diplomats, remember?--but they stress that she's taking the long view.

In her in-house think tank, State Department policy planning chief Jake Sullivan, and senior adviser Jennifer Harris, a lawyer and economist who worked on the intelligence community's Global Trends 2025 report (.pdf), have been among the key thinkers helping Clinton flesh out her approach to economic statecraft. Sullivan and Harris arranged a "deep dive" on the issue for Clinton back in February.

Clinton explained the logic behind the new economic initiatives recently in Hong Kong.

"As we pursue recovery and growth, we are making economics a priority of our foreign policy," Clinton said at the International Institute for Strategic Studies-Shangri La conference in Hong Kong in July. "Because increasingly, economic progress depends on strong diplomatic ties and diplomatic progress depends on strong economic ties. And so the United States is working to harness all aspects of our relationships with other countries to support our mutual growth."

"All of us here today recognize that a strong economy at home is vital to America's leadership in the world," Clinton similarly told the U.S. Global Leadership Coalition conference in July, before sounding a retrospective note about her tenure at State. "After spending two and a half years as your Secretary of State, traveling nearly 600,000 miles, I have reached one overarching conclusion: Simply put, we need to up our game."