Chairman Moore and former Prime Minister Barak, Deputy Prime Minister Lee and Prince Bandar, and so many distinguished guests here this evening. It’s a pleasure to be with all of you ladies and gentlemen.

Dick Parsons, I thank you for most of those words of introduction.

I remember when I would go home at night, when I was Chief of Staff at the White House. Clearly the most difficult job I’ve ever had in my life -- with a President who had not run for President, with no campaign platform, with no team of people to bring into the White House, with the reservoir of trust drained in the country, it was a difficult time, as Dick said. And of course we all worked long hours and would get home late at night and there on the refrigerator door was some words of encouragement from my wife, Joyce, and it said, “He tackled a job that couldn’t be done. With a smile, he went right to it. He tackled a job that couldn’t be done, and couldn’t do it.”

Where is she sitting? I don’t see her. She’s here somewhere.

I am, in fact, in my second tour as Secretary of Defense. When President Bush swore me in, the Vice President made a few remarks and he said that he had talked to the President and the two of them had decided they’re going to keep bringing me back until I get it right.

I’m told that I should be brief and then respond to some questions. Is there someone here who knows if that’s correct?

Good. Then, I’ll be brief and what I’d like to do is to discuss some of the fundamental changes affecting the world's security, the landscape that exists today, and offer some thoughts about how we might best arrange ourselves in this new 21st century security environment.
Today, for most countries, national security and economic security share the important characteristic that interlocking ties of mutual interest bind us together. No company, much less a nation, is truly isolated from others. While every nation is ultimately responsible for defending its own interests, most civilized nations today recognize that the most serious threats to our security affect many nations in similar ways, and that they are best deterred and defended against by working together.

That reality was certainly driven home by the attacks on September 11th -- and I would add it was driven home as well by the world's response. Citizens of more than 80 nations died that day. And citizens of every nation saw, in an instant, that the threat of terrorism is no longer confined by borders, in either its origin or the targets of its deadly acts.

In the global war against terrorism, President Bush has assembled the largest coalition in the history of mankind. Not bad for an administration that’s frequently described by the press, and some in Europe, as unilateralist. The scope of this alliance is truly breathtaking in its breadth and its depth. Some 90 nations -- nearly half of the countries on the face of the earth -- are participating in the global war on terrorism. Never before have the interests of civilized nations more clearly overlapped. And never before have the nations of the world so effectively cooperated to defend them.

It’s clear that our shared future is one of evolving international partnerships that reflect the evolving global perils.

National leaders can benefit from another lesson that business leaders must know to survive: and that is that the world is constantly changing.

We must change as well if we are to survive in that world. Many of the civilized world's most dangerous enemies have neither nations nor armies. They may employ weapons from suitcase bombs to biological agents. Some are terrorist states, still others are global terrorist organizations. The nexus between terrorist networks and terrorist regimes possessing, and developing and proliferating weapons of mass destruction is the critical new reality of this century.

Our margin for error today is small. Much different than in the last century. Today, a single weapon of mass destruction obtained from a rogue regime, for example, and detonated by a terrorist network could, in an instant -- any instant -- unleash destruction that could kill tens of thousands or hundreds of thousands of innocent men, women and children.

The only certain way to confront terrorists with weapons of mass destruction is to stop them before they attack.

Today is Veterans Day. And on this Veterans Day, it’s appropriate to consider: What lessons we might draw from military service of those veterans?
The first lesson is that we honor the example of veterans when we do not shy from taking risks. A second is that we honor their service when we’re thoughtful about the circumstances under which we -- our countries -- send men and women in uniform into battle. And last, that we honor their service when we embrace a clear American ideal: an ideal of all free countries, that there are principles so central to our way of life that it is worth putting lives at risk to defend those principles.

Will all those who have served in the military, the armed forces of any nation, please stand up? We all personally thank you, each of you, for your service in the defense of freedom.

It’s in the spirit of those lessons that I discuss an important question: when and how we decide to use military force and what guidelines we ought to consider when doing so.

To begin, before our Nation commits military force, we ought to ask and answer several tough questions:

First, is the action truly necessary?

If lives are going to be put at risk, as they will be, whatever we do must be in our security interest. In short, if our forces and others are to be put at risk, there must be a darn good reason.

If we judge an action to be necessary, we must next ask: Is it doable?

When we commit force, the task must be achievable. It must be something we’re actually capable of accomplishing. We need to recognize that there are limitations.

There should be clear, well considered and well understood goals that define the purpose of the engagement, and an understanding of what would constitute success.

The military capabilities needed to achieve these goals must be available and they cannot be committed or subject to call elsewhere before the engagement has been completed.

The command structure has to be clear -- not a collective command structure in which a committee is needed to make a decision. The men and women at risk deserve, and we owe them, clarity.

If there’s to be a coalition to achieve a specific goal, as will almost always be the case, coalition partners need to agree that they will do what might be needed to achieve those agreed-upon goals. We need to avoid trying so hard to persuade others to join a coalition that, in doing so, we compromise the goals or jeopardize the command structure.

If an action is necessary and doable, we must ask, finally: Is it worth it?

If an engagement is worth undertaking, the U.S. and coalition partners need to be willing to put lives at
risk.

It is not enough for leaders to judge a mission worthwhile; public support is needed. And if public support is weak at the outset, political leadership must be willing to invest the time, the effort and political capital to marshal support necessary to sustain the effort for whatever period of time may be required. The risks should be acknowledged at the outset, rather than allowing people to believe, erroneously, that an engagement can be undertaken antiseptically, on the cheap, with zero or few casualties. Life is not like that.

Before committing, we should consider the implications of the decision in other parts of the world. The implication if we were to prevail, the implication if we were to fail, and, the implication -- equally important -- if we were to decide not to act. Both action and inaction in one part of the world is read across the globe and contributes either favorably or unfavorably to the deterrent. We need to ask ourselves if we’re comfortable with the precedent or, if you will, the lesson that a proposed action or inaction would in fact establish.

If we answer these questions -- if the mission is necessary, doable and worthwhile -- we must next consider how it should be undertaken. And I suggest these guidelines:

First, as President Bush recently said, "The war on terror will not be won on the defensive. We must take the battle to the enemy, disrupt his plans, and confront the worst threats before they emerge. In the world we have entered, the only path to safety is the path of action."

Second, we should not restrict our options.

In working to fashion a coalition or trying to persuade parliaments or our publics to support a specific action, leadership must not dumb down what is needed by promising not to do things - "not to use ground forces," "not to bomb below 15,000 feet," "not to risk lives." That simplifies the problem for the enemy and makes our task vastly more difficult and vastly more dangerous.

Nor should political leadership set arbitrary deadlines as to when an event will end, or the enemy can simply wait us out. If it’s worth doing, it is worth staying as long as it takes. If not, it may not be worth doing.

Third, military force should be but one component of our country's efforts, our nations efforts. Indeed -- the last choice, not the first.

Terrorists depend on a steady supply of money and the hospitality of nation-states. Therefore, our efforts must be multi-faceted -- to include diplomacy, economic activity, financial work, intelligence gathering, law enforcement, among others.

Finally, and most important, we must be brutally honest -- honest with ourselves, with the public and
with our coalition partners. We should not make a task sound any easier, or any less costly, than it could become. Promise no more than we can deliver. It is a truth that it is a great deal easier to get into something than it is to get out of it.

These guidelines are offered not as rules or a formula to encourage or indeed to inhibit acting. Rather, they’re offered merely as a checklist to consider, as we seek to assure that when and if we do engage, we do so with a full appreciation of our responsibilities, the risks, the opportunities, and that we do so decisively.

Decisions of this magnitude will almost always be based on incomplete and imperfect information and they will almost always be made under extreme pressure of time. While these guidelines do not provide clear answers, they may be helpful in framing what information is available.

To conclude, I offer these thoughts on this Veterans Day, because the legacy of the veterans of all nations is one of courageous risk. To keep pace with change in the 21st century, that is the legacy we must embrace.

When the mission is the security and the freedom of our people, those whose service we honor today have given us their answer.

Thank you very much. I look forward responding to questions.

Q: Secretary Rumsfeld, President Bush on Wednesday morning right after the election victory sent out a notification to all Republicans not to gloat and to evidence humility [right in the teeth] of victory. Is there a potential lesson for our country in terms of its global perception as we deal with the perception of arrogance on the part of the U.S.?

Rumsfeld: I think that nobody likes somebody that's arrogant or a country that's arrogant, so I suppose there is a lesson in that. It also happens to be the way the President of the United States is. He isn't someone who gloats. He's someone who's very straightforward, very direct, very matter of fact about his tasks, and I think represents that country well in that regard.

It is a fact that as one looks across the globe, given our circumstance, and it is a distinctively unusual circumstance that the United States has today, it's not often in history when a country has the kinds of economic and military capabilities relative to others that the United States has. It makes our country a natural target from other countries to be critical.

It's interesting to me that if one goes back and looks at the media from the last three months you would find that the United States was accused of acting unilaterally and totally ignoring the fact that the President was going to the Congress, the President was going to the United Nations, and the President ended up with a unanimous vote in the Security Council this week. But the press was a drumbeat of negative press against the United States, against the President for being unilateral. Notwithstanding the
fact that he has pulled together the largest coalition in the history of mankind. [Applause]

So I think that I'm of two minds. One is you're right. No one likes an entity, person or country, that seems to be ignoring the rest of the world or ignoring other people or not taking into account the different perspectives, the different histories, the different circumstances of other globes or other continents on the globe or other countries.

On the other hand I think we have to recognize our circumstance. That is when we get up in the morning somebody's going to take a shoot at you and try to use it politically to their advantage in their parliament or in their election, and that's the hand that's been dealt us. It’s our job not to be blown off track by that, but to set a good course, recognize what our values are, recognize that there are a number of countries in the world that share those values, and set about trying to make a contribution to peace and stability in this globe.

Q: Dan Intelman from your hometown of Chicago.

Rumsfeld: Hello, Dan.

Q: How are you doing?

Rumsfeld: Good.

Q: You're doing great. Absolutely great.

Rumsfeld: Thank you.

Q: Maybe you can't answer this, and I've observed your shows and your interviews and you do answer some of them and some of them you push aside. Do you really believe that Saddam will accommodate or are we going to engage?

Rumsfeld: Have a seat, Dan. [Laughter]

You know, I don't know that it does any good for me to speculate. He's intelligent, he's clever, he's a survivor. If you go back just a few months, he was going along just fine. He'd violated 16 UN Resolutions. The members of the United Nations seemed perfectly happy to have that be the case. No one was making complaints about it. Then the President of the United States decided that wasn't right, and he felt that in fact this regime was dangerous, seriously dangerous because of their weapons of mass destruction and the potential for lethality that could be inflicted on our country and other countries.

So he raised the issue for the world. He raised it in the Congress first. He raised it in the United Nations. And today we find that we have a unanimous vote in the Security Council, we have an overwhelming vote in our House and Senate, and the only thing that has created an environment where the inspectors
are about ready to go back into Iraq is most people would say diplomacy. I would say it's a combination of diplomacy and backed up by the potential for the use of military force. It is that that has gotten the Iraqis' attention.

The question is how much of their attention will it actually gets? Will it be just sufficient to have them step back and allow the inspectors to come in? And then do what they did before, namely string us along and deceive and deny and find clever ways to disburse their capabilities across their country, which they're already doing. They have tunneled underground dramatically. It's going to be very hard for the inspectors to find anything. The only question is -- the first question is will the inspectors actually get to a point where it forces Saddam Hussein and his regime to either allow the entry into a location with weapons of mass destruction? Or deny them that? In a clear, unambiguous way. The question is, what will he do at that point if that point arrives?

He has choices. He can say you can't go in there and find ways to distract them, which he does very successfully, and drag it out. He could also decide to let them go in and say yes, you're right. I had these but now I'm going to turn over a new leaf and that's all there is.

Then the question for the United Nations and the question for the President of the United States and the question for other countries that have already indicated that they'd like to participate in a coalition of the willing in the event that the inspections are not successful, is what do you do next? I think it's too early to know.

I will say this. We were talking earlier this evening about this interesting and informative fact. Saddam Hussein has demonstrated that he is so determined to have chemical, biological and nuclear weapons and the ability to deliver them, and to be able to threaten his neighbors, that he has been willing to forego billions and billions and billions of dollars over the past decade and deny his people and his government and his country the tens of billions of dollars that he is losing because of the fact that the sanctions are imposed.

That ought to give you, Dan, and all of us some clue as to his seriousness of purpose. This is a man who has shown that he'll give up billions and billions of dollars every year so that he can be free to develop those weapons and to have those weapons and to use those weapons to terrorize other countries.

What decision he'll have to finally make if and when the inspectors are successful in confronting him, I guess we'll see played out over the coming weeks and months.

Q: My name is [Hans Trigger] but I'm speaking as a Vietnam veteran on this particular day.

It is sometimes forgotten that in Vietnam under very difficult circumstances the U.S. forces endured for well over ten years. Given all this talk in circles about minimal risk, minimal casualties, do you have any doubt that once again under the right circumstances and with a just cause that U.S. forces could indeed endure?

Rumsfeld: There's not a doubt in my mind.

There is no question but if the President of the United States makes a judgment that force is necessary in Iraq, that the armed forces of the United States will be fully capable of changing that regime and finding those weapons and seeing that they're destroyed. [Applause]

Q: Mr. Secretary, my name is Dan Yurgen.

I wonder when you look two or three years down the road, do you have a picture in your mind as to how the war on terrorism comes to an end and what the end looks like?

Rumsfeld: On the assumption that human nature is not going to change dramatically in that period of time, one has to assume that there will be people who will be teaching the kind of thing that's being taught in too many Madrasas and too many locations around the world, that there will still be people who will be looking for ways to damage the West, the United States, and free people.

Can we live in that world? Yes, we can. We can find ways to live in the world.

We have a lot of vulnerability. We have a terrific Army, a terrific Navy, a terrific Air Force, but if one thinks about it, the terrorist networks don't have armies, navies or air forces. What they do is they look for weaknesses. Clearly a terrorist can attack at any time, any place, using any technique, and it's physically not possible to defend it every time in every place against every technique. Therefore one has to work with, as we are, some 90 nations, share intelligence, work together, keep putting pressure on terrorists across the globe, make it harder for them to travel, harder for them to recruit, harder for them to retain their people, harder for them to move their money. Make it more difficult for them to conduct surveillance necessary to a successful terrorist attack. That's what's happening. It is that cooperation across the globe that is putting pressure on terrorists. It does not mean that there will not be additional terrorist attacks that are successful. There will be. And there will be in country after country. There will be a lot fewer than there otherwise would have been.

What we need to do is exactly what we're doing. Recognize the seriousness of the threat, recognize as I said that the critical difference in the 21st Century is the nexus between weapons of mass destruction in the hands of states on the terrorist list, and terrorist networks.

The lethality of those weapons is so enormous that it is up to us to see that that pressure is everything that it's possible to be, and then go about our way and not allow our lives to be changed. Not allow free people to end up being frightened to live free lives. We want to be able to get up in the morning and go out of our house without looking to the right and the left to see if someone's going to shoot us. We want to be able to send our kids off to school and know they're going to come home safely. And we want to have sufficient certainty that we can have the kinds of investments and the kinds of business climate and the thing that underlies successful commerce in this world is security and a relatively peaceful world. That is central.
I think we can live in the world. Does that mean it will ultimately end at some point? I think we will eventually sufficiently damage the so-called al Qaeda terrorist network that it will not be able to function. But there are many other terrorist networks and people will form new groups. Just as we go to school on them, they go to school on us. As they see us do certain things they change their techniques and change how they're attacking and keep looking for themes or vulnerabilities or asymmetrical ways to damage us.

I think that ultimately we're going to have to find ways to see that the young people of the world are taught something other than that it's a good idea to go around killing innocent men, women and children. And that's a big, longer-term task.

Q: David Hale, also from Chicago.

Our largest foreign delegation here tonight, Mr. Secretary is from China. We have several dozen Chinese executives attending the conference for the first time. My question for you is about the future of our relationship with China.

Did the events of September 11th make a positive difference to the relationship? Have they created the precondition for more partnership and more cooperation in the future?

Rumsfeld: I think that the changes that have taken place in the world since September 11th have broken us out of the old Cold War mindset and caused people to look at the globe with fresh eyes. What we see is changing relationships between nations all over the world.

Just think of the United States, a different relationship with Russia, a different relationship in Central Asia, different relationships in South Asia. We're working closely with our NATO friends and our friends in Japan and South Korea, the Republic of Korea. My impression is that China is an important country, the People's Republic of China. It is entering the world in a way that was not the case 10, 20, 30 years ago. That's a good thing. And the hope is that it will enter in a peaceful and constructive way. I think that President Bush's visits with Jiang Zemin in Crawford, Texas last week were constructive and helpful.

I know the Department of Defense is, we had a terrible time with the EP-3 aircraft being damaged and landing and the way those people were treated in China. It was not the way friends treat people. That was last year. I think it's been on an uptick ever since that time. We're now in the process of reestablishing military-to-military relationships with the People's Republic at both the political and the military levels for the Department of Defense and I think that's a good thing. There have been some very constructive visits, and certainly I know the President's hope and my hope and our Department's hope is that the relationship will continue to evolve in a constructive way.

Q: My name is Vendi Bangor and my question is in order to defend prosperity in some parts of the world is there not a need to attack poverty in addition to all the other steps that you've taken?
Rumsfeld: Certainly there's a need to do that and I guess the question is how does one do that?

I was involved in the so-called war on poverty here in the United States and I've traveled the globe and seen just terrible poverty. I had a friend once and he was asked to chair a commission, an international committee, and the title of it was What Causes Poverty. He declined. He said I will do it but on one condition. The condition is that we change the title and I'll chair a committee on What Causes Prosperity. The reason he said that was, the title What Causes Poverty leaves the impression that the natural state of the world is for people to be prosperous and that for whatever reason there are prosperous people running around making people poor when you say what causes poverty. He looked at the world the other way. He said the natural state of people is to be relatively poor and that there are certain ways and things that can be done that can cause prosperity. They can create an environment that's hospitable to people gaining education and people gaining investments and people finding ways to contribute in a constructive way.

There are big portions of our globe that are so far behind the rest of the world that it is a dangerous thing. It is an unfortunate thing for those people. It's a heartbreaking thing.

The task for the developed world is to see that we do not just salve our consciences by finding ways like Lady Bountiful, we can give some country this or some country that which then is gone and disappears. But to the contrary, that we find ways to encourage countries to take the kinds of steps that create an environment that's hospitable to enterprise and to education so that the nation itself can do those things that will begin to ameliorate the kinds of terrible poverty that we see around the globe.

Certainly the United States has a responsibility as do the people from every nation in this room have the responsibility to contribute to that.

Q: Charles Good.

Rumsfeld: It's 8:00 o'clock, it's time for dinner, I think, so you better make this one a pip. [Laughter]

Q: Mr. Secretary, assume there is a war with Iraq and there's a change of regime. Could you share your thoughts of how the picture thereafter might evolve in that country?

Rumsfeld: Yes, sir. I'd be happy to, and it's an important question.

Internally in our government the things we've concentrated on have been the following. Number one that the country remain a single country and not be broken up in pieces. That is in our view in no one's interest.

Second, that it be a country without weapons of mass destruction.
Third, that it be a country that stops threatening its neighbors and decrying the so-called alleged illegitimacy of all of its neighbors which has been a pattern of Saddam Hussein and his regime.

Next, that it be a country that reflects the ethnic and religious diversity in that piece of real estate and that there is some sort of representation and representative government so that the rights of the various elements in the country are respected.

Full stop. What beyond that it ought to look like it seems to me is not for the United States, indeed not even for the United Nations to prescribe. It will be something that's distinctively Iraqi. It will be something that comes out of the Iraqi people as the Loya Jurga provided a solution in Afghanistan that was unknown to most of the West. I suspect there will be a solution in Iraq in the event that that were to occur.

One of the things I would say however is that the economic opportunity in that part of the world for Iraq, but also for important countries, enormously important countries like Turkey and friendly countries like Jordan and the Gulf States and others, the economic benefit that would come from a non-hostile Iraq would just be a boon from an economic standpoint.

So I guess I would say that it would probably take a period of time, not weeks or months but more than a few months, to find the weapons of mass destruction. They've been so widely disbursed. The documentation has been so widely disbursed, and they have gone so deep underground. The only way they're going to be found is through defectors, through people who have personal knowledge and through whatever reason. During the inspection period the only way that could occur is if you could get them out of the country and their families out of the country because they'd be put to death if they told that kind of information.

Indeed if you'll recall the biggest caches of weapons of mass destruction that were found during the last inspection period were found because two of Saddam Hussein's sons-in-law left Iraq, defected, went to Jordan, told the inspectors what they knew, and the inspectors then went in and found all of this. I still don't quite understand it. There must have been threats, but they were enticed back into the country and Saddam Hussein killed both of this sons-in-laws.

So the lesson there for anybody thinking that they're going to provide information to inspectors or to the United States or to a coalition of nations in Iraq in the event that force is used and the regime is changed, or the search is on, the message is that the regime would have to be changed because the regime would take the same kind of violent reaction to anybody who provided any information to inspectors or to the United States.

Thank you very much.