

“This World”
2003 TFWA WE Conference
24 Oct. 2003
Richard Holbrooke, Keynote Speaker
US Ambassador to the U.N. (1999-2001)

Thank you, Erik, for that kind introduction. Good morning ladies and gentlemen. I am delighted to be addressing the TFWA today on a range of world events. I understand that there is some 110 nations represented at this conference and that makes me feel as if I am back at the UN...but a UN with energy!

I am an enthusiastic consumer of duty-free products and later today, when I fly home, I will be using my World Points Card at Heathrow Airport. I greatly admire what your industry has done to make airports an enjoyable part of travel.

Your industry is affected much more directly than most others by what plays out on the world stage. I would like to speak today on three major issues: the current state of global affairs and their impact on international business; the US economy; Iraq and the war on terrorism, and the image of the United States in the rest of the world.

The US economy remains the motor of the world economy. And the evidence supports the argument that the US is enjoying an economic recovery, but with one dark cloud on the horizon: that is unemployment. What we are seeing is a recovery, which is not generating jobs, at least not yet. Indeed, if the present trend is not reversed, this Administration will be the first since the Great Depression to preside over a net loss in employment.

We have lost our sense of security in the strength of the American dollar. The dollar has recently dropped to its lowest point against the Euro, but I do not believe this is an irreversible trend. I am confident that the US dollar will long remain the standard in the world economy.

The most urgent subject, of course, is Iraq and the war on terrorism. 9/11 had a much greater impact in the United States than almost anyone in Asia or Europe realises. This has ushered in an era in which the US has gone on the offensive to ensure that another 9/11 won't take place. In its quest for secure borders, the United States has now found itself once again at war, in Iraq and Afghanistan.

Following the official end of the war which President Bush erroneously declared on May 1, US soldiers have been dying at the rate of 1 or 2 a day; there are about 30 attacks on our forces every day; these attacks are not fading out, at least not yet. This is not a mopping up operation. We are not simply tidying up the loose ends, and we are not in a dead-end operation as Rumsfeld indicated initially. In fact the conflict is spreading - there are now no real safe zones in the country.

This core issue is being debated just a few miles away from here in Madrid today in an attempt to raise international financial support for the reconstruction of Iraq. US\$20 billion has been committed already for reconstruction and the rest of the world has pledged quite a bit of additional money but none of this will mean a thing unless the conflict stops.

Most of the plans for reconstruction depend on security – bridges or schools that are slowly rebuilt can be destroyed by one bomb. There are frequent attacks not only on the US and UK forces but also on Iraqis who work with us. The most disturbing thing is that US Intelligence doesn't really know exactly who is doing this. There is increasing evidence that bin Laden's people, and Al-Qaeda, may be coming in from Syria, from Iran, and maybe even from Saudi Arabia, but no one knows.

The US has 130,000 troops in the country – and many are becoming sitting targets. Most VIP visitors from the US to Iraq do not stay overnight in Baghdad but are billeted in Kuwait. What is life like in Iraq? A friend who was just there said, "Quite honestly, I don't know. When I visited there recently I never left the palace compound and the only Iraqis I ever met were those who were escorted in for specific meetings with us. We were not allowed out except in heavily armoured convoys."

Now what does this mean for American foreign policy? What does it mean for the economy? It is hard to say. The Administration has been banking on the hope that a year from now—and of course a year from now will be a week before the Presidential election—casualties will be down to zero or near zero, the reconstruction will have proceeded, the Iraqi government will have been established and sovereignty established. There is a possibility that will be achieved but it is also possible that the opposite will happen and that what you see now you will still see a year from now. And what we have seen is a beginning of a continued war, not simply composed of Saddam Hussein remnants but of a new Jihad against the American presence in Iraq. No one in this room, no one in Baghdad or the White House or the Pentagon or the CIA or the British Government has any idea of what the future will hold. Believe me, your guess is as good as theirs. But their lives—their political

lives—depend on it and America and British national interests will rely on it and, frankly, it affects everyone in this room.

I talked last night to TFWA people from Kuwait and the Emirates, Bahrain, Singapore, Japan, Korea, all countries which are involved in one way or another in this problem. I have many friends in the Gulf, some of whom supported the American intervention and some of whom opposed it, but all of whom recognise that their political future will be tied to this outcome. I am a Democrat but I supported President Bush on the war, with the stated assumption that there was a post-war plan, and we would internationalise the effort. It has turned out that there simply was not. The US Government went into the war unprepared for the very success that they had predicted, the military success, that is. And when President Bush proclaimed the end of the war on May 1st, he made a grievous error because more American soldiers have died since May 1st than before May 1st.

How it will affect all of you I cannot foretell but I do not think that Iraq itself has a fundamental affect on the travel industry and its associated industries. Terrorism on the other hand would affect you. No one knows whether terrorists will strike again in the United States or in Europe, but I do think it is significant that the new centre of terrorism has become Iraq itself.

Those of you with a historical view will know that in 1922 the British created Iraq and its current boundaries out of some of the debris of the Ottoman Empire. This was done at the Cairo Conference by Winston Churchill and his team. It was a mistake, perhaps the most serious mistake in the great career of Winston Churchill. The country should not have been created the way it was. It should have been allowed to follow the old Ottoman division of three different provinces, Basra in the south, Baghdad in the centre and Mosul in the North, the Kurdish area. But for various reasons to do with colonial and imperial history, the British wanted to create one country and control it.

From 1922 to 1932 the British suffered 10,000 casualties in Iraq before they had to withdraw and the country then fell into a weak monarchy followed by a succession of military regimes that led to Saddam Hussein. Why is this relevant today? Because the attempt to hold Iraq together as a single country is by definition extremely difficult and yet to allow Iraq to split into three countries, the way Yugoslavia did—and by the way, Yugoslavia was a product of the same historical era, the era right after World War One—is also fraught with difficulties.

Erik alluded, very generously, in his introduction to my role in ending the war in Bosnia. What we were doing was legitimising in a peaceful way the break-up of boundaries that had been created after World War One in Yugoslavia.

But that is not an option in Iraq because if you do that, the Turks will move into Northern Iraq, the Iranians will come in from the East and it will create enormous chaos. So we are probably--“we” being the United States and its allies--in for a very long presence in Iraq, notwithstanding the history. This is not good news but once undertaking this process we really are obligated to continue it.

I want to turn, not to the question of American policy internationally and this extraordinary upsurge of anger towards the US which we have all seen. This was the number one topic that people chatted with me about last night and the number one topic when I talked to the London School of Economics the day before yesterday, and almost any speech that I give anywhere in the world.

First of all, I need to say as an American who spends a great deal of time travelling—I was in India last week, I will be in South Korea next week and I have friends in almost every part of the world—that I don’t personally feel a deep anti-Americanism in the historic sense of the word. But I do sense a considerable hostility to American policy and that is true whether you are in France or Germany, and even in Korea now, a country where we still have 40,000 troops and whose freedom is a direct result of American decisions half a century ago and which still needs American troops.

The failure of Americans to adequately explain their policies has been a great distress to me. In the previous Administration, President Clinton’s Administration, we had our difficulties, but President Clinton himself was extremely popular and still is in countries as varied as Ireland and Germany, Greece and Turkey, India, Australia, and throughout the world. He articulated American values and ideals in a way that people understood so if they disagreed with the United States on policy they did not object to United States values.

I believe that overthrowing Saddam Hussein was a legitimate goal, as he was the most dangerous leader in the world. He was not a religious Muslim, he was an anti Muslim Arab for all practical purposes. He would have built weapons of mass destruction again if he could have. He was far worse than Slobodan Milosevic of Yugoslavia, and we built international support for the wars we waged in Bosnia and Kosova. The tragedy of this administration is that even when it did something supportable and justifiable—and the Anglo-American goal was backed strongly, I might add, by Spain, Italy and Australia and many other countries—the way it was carried out, created great backlash, and we now face a very serious problem. I can put it best in the form of a question: How could the coalition successfully get rid of an Arab dictator who was not even a good Muslim, who was hated by most religious Muslims including extremists and fundamentalists, and whose removal freed the Shiite

majority of Iraqis to worship freely for the first time in 50 years, and yet trigger massive anti-American feeling throughout the Islamic world from Indonesia to Nigeria? That is what is happening, and it is extremely dangerous to our nation.

Let's take another important country, Indonesia, where President Bush visited the day before yesterday but was only able to go to Bali and only for three hours. It is alarming that Indonesia, once the most secular of Muslim states, one of the most diverse states in the world and an extraordinarily dynamic country of immense potential, is now becoming radicalised, especially in Java, in a way that is adverse to the interests of diversity, tolerance and outreach to the west.

The United States is beginning a new and difficult phase of its search for the right role in the world. Over the last century the United States and its friends and allies in Europe and Asia have successfully defeated two great challenges to civilisation and democracy, which is so essential to the kind of industries you represent: first, fascism and then communism. These were successful efforts that not only included military victories, but they included the triumph of our ideals and values: democracy, free enterprise, diversity, and tolerance.

We now face a new threat, a threat not from one specific religion but from a particular type of thinking. I am talking of extreme fundamentalism, extreme nationalistic feelings mixed with fundamentalism from people who are willing to use extreme measures, such as flying aeroplanes into buildings. This is a real threat, our third great challenge. If we cannot find the proper intellectual, ideological roots or an answer—be it despair, envy, anger, misguided extremism—we will not succeed.

So far, we have failed to find that. It is only two years since 9/11 and speaking as an American, I can tell you that the United States Government is still looking for the answer. We have had public and private commissions. I have served on several task forces myself. But so far the understanding of what's happened is limited, and there is an argument about it, both its cause and how to solve it. Some people say this is simply a function of American support for Israel, others say it goes much deeper. All of you in this room will have your own opinions on that but I will say quite frankly and honestly that we are still searching for the answer. And on that search, an enormous amount will depend...for all of us as individuals, for your businesses and in a personal sense as well.

In my opening remarks, I said I would talk about four issues. The fourth one may sound completely tangential but I have made a pledge to myself that whenever I get a chance to talk to an important group of people and this

industry is particularly important, I will talk about HIV/AIDS. I am, in addition to other things I do, the President of the Global Business Coalition on HIV/AIDS. Our Chairman is Juergen Shrempp, the Chairman and Chief Executive Officer of DaimlerChrysler and we have about 125 companies -- some of whom are in this room, like American Express, Citi, Coca-Cola, Unilever, Heineken, and HSBC—which have joined the fight. But I am not here to recruit members to our organisation. I am here to say, particularly to an industry which has just felt the shockwaves of SARS, that in the long run HIV/AIDS poses the greatest conceivable threat to all of us. It is not just an African disease, although right now, two thirds of the new cases are in Africa. Today alone, 12,000-15,000 people in the world will be infected. Four to five times as many people died each day as on September 11, 2001. They will all die. 95% of the people in the world who have HIV/AIDS do not know they have it. This means they are unintentionally spreading the disease. Travel is the way it spreads, whether it is truck drivers, or people migrating from Africa to Europe or military people in UN peacekeeping missions. That's how it is spread. The idea that it can be contained in a single continent is simply wrong.

Last week in India, I met with the President and the Prime Minister of the country. We held a conference, co-sponsored by the Confederation of the Indian Industry (CII), to draw attention to the fact that India is greatly at risk. With only 1%--and I use the word "only" in quote marks--of India's population that is vulnerable infected, India already has the second highest number of HIV/AIDS victims in the world. But compared to 25% in South Africa or 30% in Botswana, it is still quite low. If India does not address the problem more openly, if they continue to deny the existence of the problem, or claim that it is narrowly based in the commercial sex industry or restricted to certain geographic areas, it will only spread faster. If it spreads in India to even 4% or 5%, we could be talking about 30 or 40 million people infected within 7 to 8 years. That would exceed the number of AIDS victims in the rest of the world combined. So we have been pleading with the Indian government, and CII has been tremendously supportive to be open about the issue.

It is very hard; when South Africa was at 1%, they wouldn't talk about it. Nelson Mandela now feels that's the only serious mistake he made. He did not address it; tribal chiefs in South Africa said it was taboo to talk about the issue because the disease is sexually transmitted. Now he feels that he should have addressed the taboo because to respect the cultural taboos of the country is to put the culture itself at risk.

I mention India primarily I was there last week, but let me underscore that China and Russia are also at risk. Until a year ago, China barely admitted it

had a problem because the disease had been spread primarily by contaminated blood, which had been pooled in a manner which was quite scandalous.

SARS was a great wake-up call for China. But only 100/150 people died of SARS. China now admits to 1 million people with HIV/Aids, 1 million. Everyone believes the figure is higher and the Chinese have yet to come to terms with it. The Chinese did send representatives to our New Delhi conference and I am hopeful that we will be able to hold a similar conference in Shanghai next year. But it is not just India and China. Russia and the Ukraine are very much at risk and it can spread very easily. Commercial sex workers, prostitutes coming from Eastern Europe, Russia and Ukraine are carrying the disease back and forth with them and so countries in the Gulf which are the ones who most do not wish to talk about this, are also at risk.

This is the hardest subject to talk about. The reason I bring it up today with you is because of the enormous importance of your industry. I am not here today to give you proposals on how to solve it, but to suggest to you that in future conferences of people in the travel industry you recognise two things: one, it will affect your industry directly over time, people will avoid countries that have a reputation for this problem. And secondly, you have a tremendously positive role to play in the public education area. I leave you with that thought because I have such respect for your industry and such high hopes that you will join in the fight. I urge you to consider this as an additional issue in the area loosely called corporate social responsibility as you move forward.

Well, I know I have cheered you up a lot this morning with this upbeat message [laughter] but I am truly honoured to be given a chance to talk to you about issues of such importance in an industry which plays such an important role in the world economy. When I was Ambassador to Germany, I spent a great deal of time with the US TTA people in Frankfurt, working on ways to improve their support of your industry and I am deeply honoured to be able to talk to you and I would welcome any questions and comments that you might have.

Thank you very much