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**From:** Sullivan, Jacob J <SullivanJJ@state.gov>  
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----- Original Message -----

**From:** Chang, Benjamin  
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**To:** Sullivan, Jacob J; Harris, Jennifer M; Harrell, Peter E; Benaim, Daniel  
**Subject:** Rothkopf: Hillary Clinton ingests the Commerce Department

Hillary Clinton ingests the Commerce Department

Posted By  
David Rothkopf

If you have been wondering where America's Commerce Secretary was, I have finally found the answer. Hillary Clinton ate him.

The evidence for this assertion is that once again Hillary Clinton has demonstrated just the kind of leadership and insight into international economic policies that one might hope for from a Commerce Secretary if Congress actually thought the position important enough to confirm one.

Of course, I am kidding. About Hillary Clinton eating the Commerce Secretary. Not about anyone thinking the job was important enough to fill. Clearly, the Republicans in Congress don't seem to think that confirming a business leader like John Bryson to add needed heft and his considerable and useful experience to the President's team is a good idea in the middle of the kind of economic crisis we are currently enduring.

No, I make the comment about Clinton because once again she has stepped up and shown herself to be both an innovative Secretary of State and President Obama's most valuable cabinet member. For the second week in a row she is devoting her Friday to demonstrating how central she sees economic work to be to the job of the State Department and the international standing of the United States. Last week, the interaction turned on a meeting with the President's job council at which the focus was how to help America grow through international economic engagement, such as the smart initiative led by her Under Secretary Bob Hormats to promote more foreign investment in the United States. (It's what I call the OPM Stimulus...in which OPM stands for "other people's money.")

Today, Clinton spoke at the Economic Club of New York, delivering a speech entitled "Economic Statecraft for a New Era." The speech is part of a series of four she is delivering on key themes of this key dimension of the administration's foreign policy agenda. As she noted in the speech, according to a pre-delivery draft I reviewed:

...Economic forces are transforming foreign policy realities around the globe. We have seen governments toppled by economic crisis. Revolutions born in a Tunisian marketplace have swept across an entire region. Europe faces its strongest test in a generation, thanks to recession and debt. And everywhere I travel, I see countries gaining influence not because of the size of their armies, but because of the growth of their economies.

She then went on to say, Simply put, America's economic strength and our global leadership are a package deal. A strong American economy has long been a quiet pillar of our power in the world. It gives us the leverage we need to exert

influence and advance our interests. It gives other countries confidence in our leadership and a greater stake in a deeper partnership with us. And over time, it underwrites all the elements of "smart power": robust diplomacy and development and the strongest military the world has ever seen.

The speech turned on four key points -- that the administration is "updating foreign policy priorities to include economics every step of the way", that the State Department is "honing" its "ability to find and execute economic solutions to strategic challenges" (from energy to supporting democracy in the Middle East), that the Obama team is "modernizing our agenda on trade, investment and commercial diplomacy to deliver jobs and growth", and that they are focusing on the challenge of growing wealth being wielded by state controlled funds and companies.

That a Secretary of State asserts an economic agenda is not news. Clinton's predecessors have regularly done so and the reality of course is that economics has always played a big role in foreign policy from wars fought over oil to the centrality of revitalizing economies to enhance security as during the Marshall Plan. That a leading figure in a government whose fate depends on job creation and restarting growth would raise such an issue is also not that shocking. What makes this speech different is that Clinton is not just talking the talk she is walking the walk, restructuring State to enhance its economic resources significantly, placing economic issues more central to our policies in places like the Middle East where promoting reforms that create opportunity is seen as a better alternative than say, invasion, when it comes to enhancing stability, mobilizing her team and embassies around the world on these issues and simply by actually credibly engaging with the business community in a way that has eluded many of her predecessors.

Like her excellent Hong Kong speech regarding the administration's "pivot" toward Asia-another element of foreign policy with important economic consequences and in which economics is among the most vital levers -- the New York Economic Club leader provides among the very best examples of the Obama Administration taking its international economic policies and putting them in a coherent framework. Take Clinton's good work in this regard, the recent trade deals and Tim Geithner's excellent and, one might add, courageous engagement with the Europeans in the recent crisis, and you have the most impressive sustained international economic initiative the U.S. has mounted in years.

And early in this administration it was hardly a foregone conclusion there was ever going to be such an initiative. I recall eating a soggy tuna fish on whole wheat toast sandwich in the White House mess with a former senior Obama official who said, "this administration isn't like we were back in the Clinton administration. Back then, international economics was one of our central priorities. Today, it seldom comes up except in terms of financial markets." That was in the wake of the 2008-2009 crisis and the focus on stimulus and health care had put domestic issues center stage. Inevitably however, what has happened is that the administration has come to realize that there are no such thing as domestic economic issues that don't have important international components -- nor are there security interests worldwide without economic components.

The Clinton speech therefore is not only a sign of a successful Secretary of State continuing to work to reinvent the department she leads -- to "think different" in the words of Steve Jobs which she quoted in today's remarks -- it is also the sign of an administration maturing and developing better priorities and vital competencies where they are needed. (Although it still might help to have a Secretary of Commerce. I'm just sayin'...)

In fact, the Clinton speech has to be seen as a big success except for one egregious error. Seeking to describe the changes she seeks within State, Clinton asserted, "We need to be a Department where more people can read both Foreign Affairs and a Bloomberg Terminal." I get the bit about a Bloomberg Terminal. But I think she misspoke. A really forward-thinking State Department should probably be turning to a different foreign policy-focused media organization, don't you think?