The fiscal year just ended was dominated by the drama of a presidential election. The subsequent transition was made easier by the fact that the incumbent won reelection, but this made governing no less difficult. From day one President George W. Bush and his administration have faced a daunting array of challenges: an open-ended struggle against terrorism; a deadly insurgency in Iraq; advanced nuclear programs in both North Korea and Iran; a genocide in Darfur; a tsunami in Asia; and a less democratic Russia, a more assertive China, and a more uncertain Europe.

Added to these challenges is the fact that the United States finds itself confronting them from a less-than-ideal position. A significant portion of this country’s military strength is tied down in Iraq. The U.S. fiscal and current account deficits continue to increase, as does the price of the oil and gas the United States must import in ever-increasing quantities. Anti-Americanism remains both broad and deep.

This is not to say that there have been no positive developments or grounds for optimism. U.S. military and economic strength remains substantial in both absolute and relative terms. There is new hope for progress in the Middle East, owing to Israeli Prime Minister Ariel Sharon’s plan to withdraw from Gaza and parts of the West Bank and the emergence of a new Palestinian leadership committed to the peaceful pursuit of its goals. Iraqis voted freely to form a new government; Syrian forces no longer occupy Lebanon; the people of Ukraine live under a government they elected.

Here at the Council we responded to these and other developments with another twelve months of extraordinary activity. Highlights included a set of...
activities covering Campaign 2004 and Transition 2005; briefings for those attending the Democratic and Republican conventions in Boston and New York; a Corporate Conference with Federal Reserve Board Chairman Alan Greenspan as keynote speaker—all this in addition to strong meetings programs in New York, Washington, and nationally as well as another banner year for Foreign Affairs.

I could go on but won’t, only because I would like to devote the bulk of this year’s message to what lies ahead. To be sure, we will continue to focus on our core missions of serving our membership and being a resource for those who might be described as traditional foreign policy elites: senior government officials, prominent journalists, and members of Congress and their staffs.

Simultaneously, we want to increase the time, energy, and resources we commit to a broader set of activities targeted to nontraditional constituencies, such as state and local officials, religious leaders, educators and students, and members and leaders of a broad range of nongovernmental organizations. Many of these individuals and groups are not normally associated with foreign policy, but their voices and support are critical to the policy choices our government makes and will make in the future. We are actively planning various workshops, seminars, and mini-conferences targeted to different groups of leaders whom we hope to engage more meaningfully in the national foreign policy debate.

We are also looking at what more we can do internationally. The influential Task Force on North America is one model, for which the Council joined with the Canadian Council of Chief Executives and the Mexican Council on Foreign Relations. We anticipate future Task Forces that involve institutions and individuals from abroad. We are exploring how to replicate in other countries the highly successful Hitachi Interna-

Then U.S. Ambassador to Iraq John D. Negroponte.

Ambassador Richard C. Holbrooke with President Pervez Musharraf of Pakistan.
national Affairs Fellowship Program, which sends Americans to Japan for three to twelve months to work in business, government, or other policy-related fields. We also intend to establish a series of dialogues in which we and our partners from abroad examine global challenges in mini-retreats—the kinds of candid, in-depth conversations that rarely occur when governments speak to each other.

The implementation of all these programs and initiatives will draw upon and expand the Council's existing activities. One principal instrument will be cfr.org. Peter G. Peterson discusses this in some detail in his Letter from the Chairman. But I do want to underscore our very different idea for the website: namely, it will be the best website for authoritative information and analysis of U.S. foreign policy. It will be the Council's website, but it will not be limited to the work of the Council; rather, it will include articles, speeches, and documents from a wide range of official and independent sources. Again, our goal is to make cfr.org the best resource available for anyone who wants to better understand America's role in today's complex world.

A second way we will implement this expanded outreach is by building a Studies Program that is second to none. This means attracting the best senior scholars (many with practical experience in the field) and identifying and developing young talent. We need to make sure we cover not only the principal countries and regions, but also the functional issues that reflect the realities and challenges of living in a modern, global world.

And third, we will continue to look for ways to strengthen the Council's resources: human, physical,
and financial. We have a wonderful headquarters in New York, dedicated staff in both New York and Washington, and, on the financial side, a substantial endowment and a strong balance sheet. But the costs of doing what we do and want to do keep rising, and we are exploring how we can best ensure that the Council’s endowment continues to cover our increasing needs.

Let me close, as I did last year, on a more personal note. I have just completed my second full year as president. My so very able predecessor, Leslie H. Gelb, was right: this is truly one of the great jobs in this or any field, in this or any city. I want to thank Pete Peterson and the other members of the Board for their commitment and support; I want to thank former Executive Vice President Michael P. Peters, who left the Council after ten years of service to assume the presidency at St. John’s College, Santa Fe, for his lasting contribution to the Council; I want to thank the staff in New York and Washington for their initiative and hard work; and, last but hardly least, I want to thank the members—life, term, and corporate—for their impressive interest in, and support for, this unique organization.

Richard N. Haass
President