



Communiqué

FALL 2006



2006 Public Opinion Study:

*Most Americans Remain Committed to Internationalism
Despite Frustration Over Iraq War*

Despite ongoing concern over the war in Iraq and the threat of terrorism, Americans continue to support U.S. international engagement, according to results of The Chicago Council's 2006 Public Opinion Study, which were released on October 11, 2006. In addition to polling in the United States, the study included ground-breaking nationally representative polls of China and India, and parallel surveys were conducted in South Korea and in Australia.

The study assesses American public opinion on a variety of challenges facing the United States today, including international terrorism, nuclear proliferation, conflict in the Middle East, the rising economic and political power of Asia, economic competition from abroad, and threats to energy supplies and the environment. It also presents a unique comparison of international attitudes on how the emergence of China and India as economic dynamos and claimants to great power status will affect the global economy, international security, and politics.

While many observers have anticipated a move towards isolationism in the wake of America's difficulties in Iraq, this does not

appear to be the case, according to survey results. Although Americans are frustrated about Iraq, a large majority says that the United States should play an active role in the world—unchanged from 2004. On a variety of questions, ranging from support for having military bases overseas to the types of goals Americans support for U.S. foreign policy, there is no indication of any new isolationist reaction. Three out of four worry that the United States plays the role of world policeman more than it should, but equally large numbers support various forms of international engagement for the United States, especially ones that involve multilateral action.

"The survey findings couldn't be clearer – Americans do not want to retreat into an isolationist foreign policy," said Marshall M. Bouton, president of the Chicago Council on Global Affairs.

In addition to American perceptions, The study provides an understanding of how the Chinese and Indian publics view their nations' international challenges and opportunities and their respective roles as emerging great powers.

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A Letter from the President



It's been more than two months since we became The Chicago Council on Global Affairs, and I am pleased to report that the reaction to the change has been very positive. Whether in Chicago, Washington, or London, virtually everybody has expressed support, seeing it as a fresh and welcome direction for this 85-year old institution.

One important commitment conveyed by our new name is to expand the Council's contributions to the national and international discourse. Our goal is to become a more influential source of ideas and information in the shaping of opinion and policy on issues of importance to Chicago, the Midwest, and the country. The reports released by the Council this fall, on the civic integration of Mexicans in Chicago, the modernization of U.S. farm policy, the economic rise of China and India, and American public opinion on world affairs, demonstrate how we will work toward this goal.

The Council is also committed to nonpartisanship and nonadvocacy. That has been and remains a core value of our institution. I am often asked: how do you square the Council's commitments to

influencing the debate and avoiding advocacy? The answer lies in our role as a convener. Through task forces and study groups, the Council brings together leaders and experts to address key topics. In choosing the topics, we are guided by extensive consultations and elaborate planning efforts. In assembling the groups, we work hard to ensure they include diverse backgrounds and perspectives.

In the end, the findings and recommendations are those of the groups alone—usually in hard-won consensus—not those of The Chicago Council. The Council as an institution does not endorse or disavow the conclusions of a task force or study group; it takes no responsibility other than having created the process. This separation between convening and advocacy is a long-established and widely accepted practice in this world of educational institutions and is one we will hew to in the months and years ahead.

Marshall M. Bouton
President

New Fund Supports Council Transformation

The "21st Century Fund" was launched in the summer of 2005 by The Chicago Council's Board of Directors to support the transformation of the Council into one of the foremost contributors to opinion and policy on global affairs in the United States. The 21st Century Fund will allow the Council to develop new programs and reach new audiences while ensuring that it remains financially stable and develops an expanded base of long-term support. Four and a half million dollars have so been raised toward an initial goal of \$5 million.

In the summer of 2005, Council chairman Lester Crown, chairman of Material Service Corporation, and vice chairman John F. Manley, president of Chicago City Capital Group, kicked off an advance effort to raise leadership gifts and set the pace of the campaign. Nine Board members generously pledged \$3 million in leadership gifts.

In early 2006 Lester Crown asked Council board member and former Bank One chairman Verne G. Istock to lead the general Board campaign. He and campaign steering committee and Board members Richard H. Cooper, founder of General Welfare Group LLC; Jeffrey C. Neal, partner of Horizon Capital CP LLC; Alejandro Silva, chairman of Evans Food Group Ltd; and Leah

Zell Wagner, president of LZW Group LLC, approached other members of the Council's Board, who have to date pledged a further \$1.5 million.

"I am delighted with the outstanding response and generous support of Board members and Honorary Life Directors," said Istock. "This tremendous effort by the Board demonstrates its commitment to an exciting future for The Chicago Council."

"The 21st Century Fund is a major undertaking and the Council's first significant capital fundraising effort," said Council President Marshall M. Bouton. "Thanks to the leadership of Lester Crown, John Manley, and Verne Istock and the extraordinary gener-

osity of many Board members, the Council is in a position to engage Chicagoans in diverse programs and to bring fresh ideas and insights from Chicago to the world."

Initiatives supported by the fund are already underway. In September, the Council announced its expanded mission and new name, The Chicago Council on Global Affairs. In September and October, the Council released its internationally renowned public opinion study, as well as several studies and reports on issues such as the economic engagement of greater Chicago's Mexican community, the modernization of U.S. agriculture policies, and the economic rise of China and India.

U.S. and Japanese Leaders Outline Strategies to Promote Economic Development in China and India

China and India have catapulted onto the world stage in recent years. Their burgeoning economies are shifting global markets, reshaping trade and investment patterns, and directly affecting the environment. The rise of China and India has already sparked adverse reactions in the United States and Japan, the two countries that currently sit atop the world's economic hierarchy.

Recognizing the immense challenges – and enormous opportunities – posed by the economic ascent of China and India, The Chicago Council on Global Affairs, working with the Japan Economic Foundation in Tokyo and the Pacific Council on International Policy in Los Angeles, convened a binational study group of American and Japanese leaders and experts to forge a common understanding of how the United States and Japan should respond. The study group, cochaired by Kenneth W. Dam, former deputy secretary of State and of the Treasury and Max Pam professor emeritus at the University of Chicago Law School, and Noburu Hatakeyama, chairman and CEO of the Japan Economic Foundation and former vice-minister of International Affairs for

the Ministry of International Trade and Industry, met on a regular basis for more than a year.

The resulting report, “Engaging China and India: An Economic Agenda for Japan and the United States,” released on October 3, 2006, makes an especially timely and important contribution to policy debates now underway in Japan and the United States by arguing that the continued economic success of our countries is closely linked to the sustained growth of China and India.

“While the United States and Japan are not currently in the same position economically or politically with respect to India and China, our study group believes the common interest of economic engagement in these two countries far outweighs

any difference in current policy,” noted Dam. “Our report seeks to forge a common understanding of how our two nations can collectively respond to the emerging power of China and India.”

The report recommends a number of steps to support balanced and sustained growth in China and India and enhance their positive impact on the global economy. The key recommendations include reducing global economic imbalances, promoting free trade throughout the Asia-Pacific region, encouraging technological innovation, managing energy competition, and reducing environmental degradation.

To learn more or read the full report, visit thechicagocouncil.org.

Report Recommendations and Highlights

Economic Growth and Sustainable Development

- Provide technical assistance to help China strengthen domestic markets, the rule of law, and social security systems.
- Increase loans and aid to India to improve physical infrastructure, schools, and healthcare and to encourage India to address its fiscal and structural problems.

Economic Imbalances and Trade Deficits

- Work toward increasing the involvement of China and India in multilateral economic organizations like G-8 and IMF.

Energy Resources and the Environment

- Share with China and India new energy technologies for conservation and renewables.

Free Trade in Asia-Pacific

- Promote regional economic integration and openness in Asia-Pacific that is compatible with WTO.
- Support openness at home to empower those dislocated by globalization through education and training.

Technological Innovation

- Promote cross-border movement of highly skilled people in science and technology, with each other and with China and India.
- Encourage efforts to streamline and strengthen systems of intellectual property rights protection.



Task Force Offers Blueprint for Unleashing the Economic Potential of Chicago's Mexican Community



Audience members question Task Force cochairs during a public program at the Mexican Fine Arts Center Museum on September 18, 2006. Pictured from left: Bertha Magaña, executive director of the Latino Education Alliance (LEA), and Consul General of Mexico Carlos Sada.

Forty-five prominent Mexican and non-Mexican leaders in the Chicago region met for the first time in October 2005 to form The Chicago Council's Mexican American Task Force. Led by cochairs Alejandro Silva, Clare Muñana, and Douglas Doetsch, the Task Force examined the economic engagement of the Mexican community in Chicago and the region.

On September 12, 2006, The Chicago Council released a report of Task Force findings and recommendations, calling for unprecedented partnerships among government, business, nonprofit agencies, and the Mexican community to realize the potential of Mexican immigrants and their children to participate fully in the economic, social, and civic life of Chicago.

“Mexican immigrants and their children comprise a large part of our current and future workforce and are the engine that will fuel future economic growth,” said Task Force cochair Clare Muñana. “Working in partnership with this community to achieve full integration and making an investment in the economic future of the Chicago region are one and the same activity.”

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Report Recommendations and Highlights

The Task Force calls upon civic, business, and philanthropic leaders; Mexican community and business leaders; educators; state and local government officials and other policy makers; and all of greater Chicago to implement the recommendations.



ECONOMIC DEVELOPMENT

Prepare Mexicans for high growth jobs of the future

- Develop training programs for high growth industries (health, education, transportation) that integrate on-site work skills with English classes.
- Recruit and work with Mexican business owners to revitalize commercial districts.

EDUCATION

Improve academic achievement and educational attainment of the Mexican community

- Improve bilingual programs and develop dual-language programs to prepare students to compete in a global economy.
- Recruit and support local Mexican teacher and principal candidates from traditional and nontraditional backgrounds.

CIVIC PARTICIPATION

Promote citizenship and voter registration

- Increase programs that offer English and citizenship classes, and naturalization and voter registration campaigns.
- Establish relationships with corporate, civic, cultural, and community organizations to encourage the participation of Mexican leaders on their boards.

HEALTH AND SOCIAL SERVICES

Increase access to affordable health care and other essential services

- Make public health insurance and services available to all Illinois residents regardless of immigrant status.
- Foster education and training of bilingual healthcare professionals.
- Establish Community Welcoming Centers in suburbs with growing Mexican and other immigrant populations.

Chicago's Mexican community is a robust economic catalyst for the region. Mexicans account for 80 percent of the region's Latino population, which, in turn, is responsible for nearly ten percent of household income, nearly fifteen percent of the state's labor force (as of 2004), and nearly half of the total growth in owner-occupied homes between 2000 and 2003.

Mexicans' centrality to the Chicago economy goes beyond household income. Area Latino business districts are among the most successful in the region. Latino-owned businesses posted \$7.4 billion in sales in 2002, almost double their contribution just five years earlier. They also offer Chicago an important link to Mexico, Illinois' second-largest trading partner, as well as to the \$2.4 trillion market in the world's twenty-one Spanish-speaking countries.

As U.S. Census reports released in August demonstrate, the 1.35 million Mexicans living in the six-county Chicago area

currently comprise the region's largest single ethnic group, and their population is expected to more than double within the next three decades.

Fully engaging Mexicans in Chicago's economic development will require overcoming language, educational, and other skills challenges, the report said. This is the first time Chicago has integrated such a large proportion of its population from a single foreign country, all sharing a common language and culture, within such a short period of time. Industrial jobs, once the traditional source of immigrant economic and social mobility, are being replaced by service sector jobs that demand higher levels of education.

The pace of today's global economic change demands that Chicago take immediate action to ensure that its workforce has the training and education necessary to compete in a knowledge-based economy and build on the linguistic and cultural assets that many immigrants possess.

The Task Force advocates a comprehensive set of policies that promote the economic development, educational advancement, political and civic participation, and health of the Mexican community in the Chicago region.

"In a globalizing world, great cities like Chicago increasingly have a vital role to play in setting national and international policy on key issues," said Marshall M. Bouton, president of The Chicago Council on Global Affairs. "The Mexican community represents a genuine economic opportunity for Chicago. If we follow the report recommendations, we have the opportunity to be a leader in the area of immigrant integration and to set a course for enhanced economic prosperity."

To learn more or download the full report, visit thechicagocouncil.org



Q&A with Mexican-American Task Force Cochairs

Douglas A. Doetsch *Partner, Mayer Brown Rowe and Maw, LLP*
Clare Muñana *President, Ancora Associates, Inc.*
Alejandro Silva *Chairman, Evans Food Group, Inc.*

Q: Which report recommendation is the most important?

A: Invest in education and training for the high skilled jobs of the future. The children of today's Mexican community are our region's workforce of tomorrow. If they are not prepared for the jobs that will be available, metropolitan Chicago cannot become a world class region.

Q: Are you saying that programs you recommend should be available to people who are here illegally as well as people who are here legally?

A: Yes.

Q: Why does the Task Force report only suggest programs for the Mexican community and not for other immigrant groups?

A: We focus on the Mexican community because this is the first time the region has ever had to integrate such a large proportion of its population from a single foreign country all sharing a common language and culture. Its economic impact is just much larger than any other group. However, most of our suggestions will equally benefit other groups as well. And it is our hope that cities around the world that experience large influxes of immigrants can use these recommendations as models in their own cities.

Q: Does the report make recommendations for national immigration legislation?

A: We specifically did not take up the question of immigration policy in this report. While immigration issues are important, we believe that our region faces another major issue that is arguably just as important: how do we economically integrate the immigrants who are already here? Immigrant integration policy is the discussion that no one else is talking about so we decided to address it.

Douglas A. Doetsch, Clare Muñana, and Alejandro Silva are members of the Council's Board.



During the Globally Occupied Attention (GOAt) program “Step in or Step Back? U.S. Intervention in the Middle East,” on September 25, 2006, panelists Patrick Clawson, deputy director for research of the Washington Institute for Near East Policy, and Ghada Hashem Talhami, a Lake Forest College professor and expert on Middle East politics and religion, discussed the strengths and weaknesses of current U.S. policy toward the region.

The GOAt series offers unique and dynamic programs that take place in music venues around Chicago. Experts debate and discuss controversial issues facing Chicago and the world, and attendees are encouraged to participate in a lively question-and-answer period.

Global Agriculture Task Force Report Outlines Roadmap for Modernizing America’s Food and Farm Policy



On September 27, 2006, The Chicago Council on Global Affairs released a report on global agriculture containing a balanced set of recommendations for reform of the nation’s farm bill policies. The report “Modernizing America’s Farm and Food Policy: Vision for a New Direction,” calls on Congress to end trade-distorting subsidies, redefine the farm safety net, transform the food stamp program, and reinvest in U.S. agriculture’s future.

The Task Force, chaired by Catherine Bertini, former executive director of the UN World Food Program; Robert Thompson, former USDA Assistant Secretary for Economics; and Gus Schumacher, former USDA undersecretary in charge of farm subsidy programs, was convened by the Council in September 2005. A group of thirty prominent leaders and policy specialists from Chicago, the Midwest, and the nation met on a regular basis for more than a year to discuss recommendations for achieving meaningful, sector-wide reform focused on ensuring the long-term competitiveness and sustainability of U.S. agriculture and food systems.

“The Farm Bill budget will likely be a smaller, zero-sum game in 2007,” said Task Force cochair Robert Thompson. “Now more than ever, spending decisions must be driven by investments in the future of U.S. agriculture, the real needs of rural America, the national economy, public health, and the environment.”

At the cornerstone of the report are recommendations to end trade-distorting farm subsidies, such as countercyclical payments, loan deficiency payments, and marketing loans and replace them with potentially less costly programs to help farmers weather the ups and downs of prices and yields.

Other key elements of the Task Force report include recommendations to:

- Integrate a set of new programs to provide a farm financial safety net, advance environmental goals, and avoid affecting supplies and prices of farm commodities.
- Redirect at least twenty percent of funds currently used for trade-distorting supports to rural public goods, such as infrastructure and agricultural research, to ensure the future competitiveness and profitability of U.S. agriculture.
- Reform the food stamp policy to bring the program in line with national public health goals and address the nation’s growing epidemic of diet-related diseases.
- Improve the effectiveness of renewable energy development programs, rural infrastructure development, conservation programs, and federal global food relief initiatives.

To learn more or to download the full report, visit thechicagocouncil.org.

Corporate Program Year of India Series Focuses on the World's Fastest Growing Free Market Economy

In 2005, India entered a period of unparalleled growth as its economy soared eight percent and foreign direct investment continued to grow at an unprecedented pace. With a booming capital market, rising foreign exchange reserves, and a twenty percent surge in exports, it is easy to understand why India is becoming a leading destination for foreign investment.



Pictured from left: Ashish Prasad, partner, Mayer Brown Rowe and Maw, LLP, and cochair of the Council's India Roundtable; Scott Bayman, president and CEO of GE – India; and Sreekumar Nair, deputy director of the Confederation of Indian Industry.

At this rate by 2050, according to a 2003 study by Goldman Sachs, India will become the fourth largest world economy and the fastest growing of the major economies. The world's largest democracy is becoming a true global power.

This fall the Corporate Program of The Chicago Council on Global Affairs, in collaboration with the Confederation of Indian Industry, welcomed influential business and economic leaders as part of The Year of India Series.

Scott Bayman, a corporate officer of the General Electric Company and president and CEO of GE – India, kicked off the series with an address to an audience of more than 250 on September 8, 2006. Bayman, who has spent more than thirteen years working for GE in India, spoke about the country's economic transformation over the past several years, the liberalization process, and his vision for accelerating additional economic reforms.

On October 27, 2006, the Council welcomed His Excellency Dr. Montek Singh Ahluwalia, deputy chairman of India's planning commission. Dr. Ahluwalia has been a major player in India's economic reforms and expansion. He is consulted by India's Prime Minister Manmohan Singh on virtually every policy reform decision.

Pulitzer Prize-winning journalist and *BusinessWeek* writer Steve Hamm spoke at a program on November 2, 2006, about Indian tech upstart WIPRO and how it is rewriting the rules of global competition.

The Corporate Program's Year of India Series will continue throughout the spring and will focus on topics such as economic reform and development, outsourcing and service sector expansion, and new market opportunities. The series will draw on American and Indian business executives operating in country as well as government leaders and academic experts to provide the latest thinking on India.

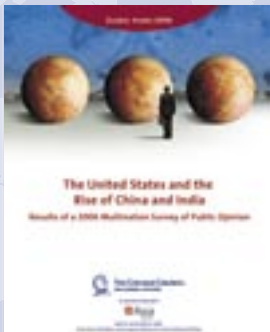
Public Programs



Senator John Danforth, who spoke at a public program on September 25, 2006, greets Josephine and Newton Minow. Jo is an honorary life member of the Council's Board and Newton introduced Danforth that evening. Danforth, who served as a Republican senator from Missouri for three terms and is an ordained Episcopal priest, spoke about the Republican Party's focus on wedge issues such as stem cell research. He believes the party has become too sectarian and should instead move toward a more secular outlook that inspires trust in the people of the United States. Following his talk, Danforth answered audience questions and signed copies of his book, *Faith and Politics: How the "Moral Values" Debate Divides America and How to Move Forward Together*.

Planning is also underway for a full-day conference entitled "India Rising: What Lies Ahead?" The conference will examine what to expect from India in the future and explore the realities of doing business on the ground. The conference will look at India uniquely through the multifaceted business relationships of investor, supplier, manufacturer, and customer.

To learn more about the Corporate Program's Year of India Series, visit thechicagocouncil.org or contact Erik Brejla, Senior Program Officer—Corporate Program, ebrejla@thechicagocouncil.org.



Public Opinion Study Survey Findings

Among other key findings, the 2006 study reveals:

- Americans are fairly comfortable with the economic rise of China, though they believe China is on the way to catching up with the United States. They are, however, alarmed by the possibility of China becoming significantly more powerful militarily.
- Americans favor a friendly approach to China rather than an effort to prevent it from growing in wealth and power.
- Asians, including Indians, South Koreans, and Australians, are also quite comfortable with the rise of China. However, these countries and the Chinese still want the United States to remain engaged in Asia, though they express low trust in the United States to act responsibly.

The Council's biennial Public Opinion Study was conducted in partnership with the Asia Society and with the East Asia Institute in South Korea and the Lowy Institute on International Policy in Australia.

To learn more or download the full report, visit thechicagocouncil.org