



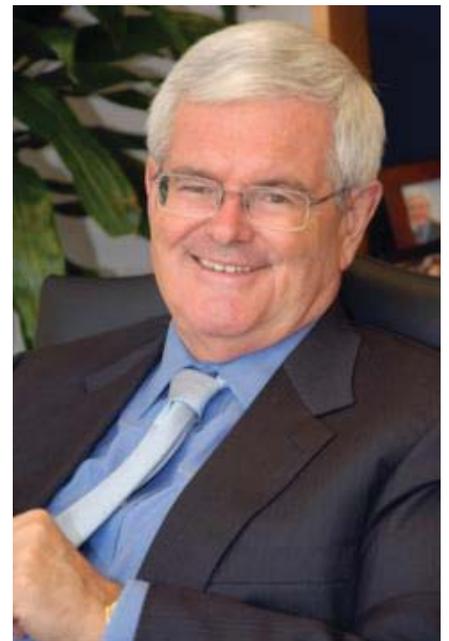
# Reclaiming Liberty!

With Newt Gingrich

*On November 11, 2010 the Institute for Policy Innovation welcomed Speaker Newt Gingrich for our annual fundraising dinner—Reclaiming Liberty! The following is a transcript of the comments presented by our keynote speaker:*

Thank you all very, very much and thank you Michael (Williams) for that warm introduction. I did warn him before and I said, “I start to get worried if the introduction’s so good that I get excited about listening to the person. (laughter) And then I realize it’s me.” But I’m glad to be here, I’m glad, Mark (Davis), to be back with you again. We had a great time raising some money for charity a few weeks ago and it’s always fun to be on your show so I’m just delighted to have the chance to be with you tonight.

It’s really important, I think, to recognize the Institute for Policy Innovation and I particularly wanted to come down here tonight and I set it out in my schedule a long time ago because I work very closely with Peter Ferrara and I do agree with what Tom said. He is a truly national treasure and a man of just extraordinary knowledge and insight who, all the way back to the Reagan years, has played a role in designing the right economic policies that would maximize our growth, maximize our prosperity, maximize the wealth of every American. So Peter, I’m delighted to be here with you tonight and I’m delighted to be here with the Institute. And I thank all of you who are supporters and I encourage those of you who are not yet supporters, to look seriously at this remarkable institution which has an impact extraordinarily out of proportion to its size and its budget. And I think it’s really helpful to have institutions that are outside of Washington and don’t get up every morning trying to find out who was invited to the last Georgetown cocktail party, but instead actually worry about long-term policy.



I think reclaiming liberty is a very, very important concept. And in that context, Michael’s right. He and I’ve had a personal friendship that goes back for a decade. He is a great conservative leader of enormous principle. I think he has a great future and I’m just honored, Michael, you introduced me tonight and thank you very much for that.

I also thank those of you that gave Pete (Sessions) a standing ovation. He totally earned it. I have been working with Pete for two years on this project. I was actually laughed at. In March of 2009, I said that if

the Democrats continued to move to the left, and if their budget vote is as bad as their stimulus vote, that we could get a majority. And at the time, one of the leading analysts of Congress, Stu Rothenberg wrote, “Gingrich’s idea is lunacy. It ought to be knocked down immediately.” Recently he wrote a column in which he thought that the Republicans would gain control of Congress and since then, it turned out that he was right (laughter). I would say, and I say this with a pretty good bit of detailed personal knowledge, I would say that along with Speaker John Boehner, there is no other single person who did more to make sure that we had the candidates, we had the resources, we had the messages, we had the strategy, and we had the training necessary to win and I give Pete a great deal of credit for a remarkable year (applause).

*“I was asked how I felt about it and did I feel diminished. And I said, ‘no’. I said, ‘I feel like a general manager whose team just won their second Superbowl and that I think of Pete as being the quarterback on the field and John being the Head Coach. And the team won an enormous victory on election night.’ ”*

I have to confess, I was asked shortly after the election a question, having been through 1994 and the “Contract with America” and the first Republican majority in forty years, how I felt about the fact that Pete and John had actually surpassed us? We got 53 seats, they’re somewhere between 60 and 61 or 63, depending on the recounts and thefts (laughter). And I mean after all, you start looking at races in places like Illinois, you go OK, how many people really voted and how many people showed up twenty years after their death. Which is

actually a sign of very determined citizenship, if you think about it (laughter). But I was asked how I felt about it and did I feel diminished. And I said, “no”. I said, “I feel like a general manager whose team just won their second Superbowl and that I think of Pete as being the quarterback on the field and John being the Head Coach. And the team won an enormous victory on election night.” And Pete was very kind and came by the American Solutions election night (event) and it was just a wonderful feeling. While the House victory, which is the largest since 1932 is extraordinary, so is the state legislative victory which is 682 seats (applause). If you think about long-term political development, 682 seats switching from Democrat to Republican is a generation of loss for the Democratic Party which I have to confess makes me feel good (laughter).

But I want to recognize a couple other dear friends. When we were trying desperately with no one believing in us to create that first majority, remember, we hadn’t been a majority since 1952 and there were a lot of people who thought we couldn’t be—including most of the Republicans. One of the people who courageously went out and raised money, recruited candidates, did everything he could, helped me win the Whip’s raise without any question, wouldn’t have won the race without him was Joe Barton and so it’s a thrill for me to have Joe here (applause).

And I want to report to Joe, that in honor of his staff who many years ago in a great Texas Aggie tradition, took me to Billy Bob’s, that I sent three of my younger staff to Billy Bob’s last night on the grounds that they too needed to experience a version of Texas they had probably never seen before. And they reported to me today, a little blearily, that in fact it was a different experience than they’d ever had before. I have not yet asked if any of them tried to ride the mechanical bull, because there are certain things I believe that employers shouldn’t actually know about the people that work for them.

Let me say that Louie Gohmert is a terrific national asset. He has a remarkable range of innovative ideas. My favorite was early last year when the President was busily trying to maximize government spending, strengthen the government employee unions, and do everything he could to waste your money on behalf of his majority. Louie had this great idea which I wish we had actually followed as a vote on the House floor. If you took \$780 billion, instead of spending it through trickle-down bureaucracy, if you had simply given every American that amount of money as a tax holiday, it turned out that no American would have paid any income tax until after August. And I think a vote that said, do you agree to do more to stimulate

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the economy by you having all of your income, by the way, which also included, that most Americans would have discovered a shocking way of how much they were actually paying. I thought this was a brilliant insight and Louie, I just hope that you will have the courage, despite the occasional slowness and boring detail of staff around you, and hope that you will have brilliant ideas like that because I think that was actually a tremendous insight and you've already told me a couple tonight that I'm sure will show up in the very near future.

Michael Burgess has enormous courage. He is one of the most sincere people I know. He brings everything that led him to be a doctor, all of his concern for the patient, all of his desire to cure people, all of his desire to master disease. He brings all of that to Congress. And we work with many, many people at the Center for Health Transformation. I just find it a great joy to have him here tonight and to have him in the Congress and I want to thank you for the dedication (applause).

Kay Granger's been a favorite of mine since she first was mayor and then became Congresswoman and there's a spirit of public service and a spirit of making Texas and America a better place that she brings into every room I've ever been with her. And so when she walked in tonight, I felt better just by the act of you walking in the door. Thank you for being here with us tonight (applause).

Reverend James Robison's an amazing person. He was a leader in the Reagan years. He has, I think, the most important thing that a Pastor can have, which is a sincere, deep, total belief that helping Christ to enter the lives of others will permanently and decisively change who they are. And I think all the rest of us are busy doing many other things but having people walk up to you, look you in the eye and say that Christ truly loves you and that your life can be changed if you would just surrender to that love, is an enormous part of the best of America. And so when you were here tonight, I just wanted to thank you for a lifetime of living what you believe and living what you preach (applause).

What I want to focus on tonight is the concept of replacement. And I want to suggest to you that I say this, let me give you a little bit of background. I was convinced, my dad was a career soldier and on Veterans' Day I feel in particular, the 27 years he spent serving the United States Army, the depth of his belief that defending America was a moral cause. And in that context, I want to talk about where we are but I talk about it from a position of relatively unique experience. When my dad was stationed in Orleans, France in 1957-58, the French Fourth Republic was dying. It was fighting a war in Algeria that it was losing. It was 100% inflation. There was still World War II and World War I battle damage. We went to an American Army school and passed World War II damage. And we went to stay at a friend of my father's at Verdun. My father's friend had been drafted in 1941, sent to the Philippines and served in the Batoc Death March and spent three and a half years in Japanese prison camp. Any of you who ever saw the movie, "The Great Raid", would have some idea of his experience. We spent several days touring the largest battlefield of the Western Front in Verdun in which some 600,000 men were killed in a nine month period. We spent every evening talking about his experiences having been defeated and trying to survive in the Japanese prison camp. I had gone into that particular vacation thinking I'd be either a zoo director or a invertebrate paleontologist; I came out of it convinced that countries die. And that the quality of civilian leadership is central to their survival. And so between my freshmen and sophomore years in high school, in August of 1958, after several months of prayer and reflection, I concluded that my job was to try and understand three things: what is it we have to do to survive as a country, how would you

explain it with such clarity that the American people would give you permission, and how would you then implement it in such a way that it both worked and they would give you permission to continue. I've literally now, for 52 years, been trying to understand this. So what I share with you tonight is the result of 52 years of reflection. I think we have to move from a rejection model of conservatism to a replacement model of conservatism and these two words are enormously important. And by either smart planning, good luck, or providential intervention, I think that the novel we just released, *Valley Forge*, really reflects precisely this turning point.

Think of the Declaration of Independence as an act of rejection. The American people concluded that we had rights and that the British were trampling on our rights. And so we rejected that and said we declare we're independent. However, that didn't make us independent. We declared our opinion. In order to be successful and independent, there had to be two enormous acts of replacement. The first occurred in the winter of 1778 at Valley Forge. When George Washington, after two long painful years of defeat, came to the conclusion that only by having a first class Army, capable in a disciplined way of fighting in the field, could we defeat the British. And with the help of foreigners, a point I would inject into the immigration debate, Lafayette and Von Steuben created an American Army that in the spring of 1778 defeated head-on a first-class British Army in a shocking moment in which all of a sudden the British were forced to realize the Americans probably were not going to ever be defeated. But it was the replacement of British military power with American military power which made the difference.

A few years later, the wisest and most sophisticated Americans had come to the conclusion that the Articles of Confederation were too weak for the country to survive. And they met for 55 days in Philadelphia and they wrote the Constitution of the United States which was an act of replacement. It wasn't just the Articles of Confederation aren't adequate. It was here is an alternative. And I think, my position today, I first got directly active in the summer of 1960 between my junior and senior years of high school as a volunteer in the Nixon-Lodge campaign in Columbus, GA at a time when there was no Republican party in Georgia and therefore, I could rise with enormous speed because nobody was there. I mean you walked in and they said "hi, how would you like to be really important tomorrow morning? By the way, nobody else will be at the meeting."

***"The power of the left is in tenured academics. The power of the left is the news media. The power of the left is the bureaucracy. The power of the left is union leadership. The power of the left is inside the judgeships. The power of the left is in fact in the Hollywood literati. And so the left just kept going further to the left. Then the American people repudiated the left in 1980."***

And I think back to all that and here's what I want to pose for you. Having lived through the Goldwater Revolution, having lived through the rise of Reagan, having helped create the "Contract with America", here's my core formula for all of you to think about. The American people repudiated the left in 1972. I mean George McGovern was annihilated for all practical purposes. The left didn't notice it because the power of the left isn't in popular elections. The power of the left is in tenured academics. The power of the left is the news media. The power of the left is the bureaucracy. The power of the left is union leadership. The power of the left is inside the judgeships. The power of the left is in fact in the Hollywood literati. And so the left just kept going further to the left. Then the American people repudiated the left in 1980. People forget. Jimmy Carter carried exactly the same number of states as Herbert Hoover. The 1980 election was an annihilating defeat for the left. In 1984, it got worse. Walter Mondale

was repudiated carrying one state, his home state, only because Reagan didn't go and campaign there. If Reagan had campaigned in Minnesota the last weekend, he would have carried 50 states. He thought it was somehow ungentlemanly.

In 1994 the left was repudiated again and for the first time in forty years, the Republicans got control of the House, and we kept it for twelve years. Now let me just say, for those who worry about closing the government, after we proved we were serious, for the first time since 1928, the American people re-elected the House Republicans, because we did not allow the President of the United States to bluff us into caving in on principle, and we told him we'd take whatever he could do to us, and whatever the news media could do to us, because we were serious about balancing the budget by controlling spending, and we were not going to raise taxes.

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And last Tuesday, the left was once again repudiated. Do you think they noticed it? (laughter ) Do you think that anybody at MSNBC decided to move to the center? Do you think anybody on the tenure faculty at Columbia decided to actually study whether Ronald Reagan, rather than Gorbachev, ended the cold war? Do you think anybody...do you think Paul Krugman decided supply side economics is right? The fact is rejection is an inadequate, long-term strategy if you are serious about saving America, because rejection doesn't fix a center left coalition, which has been in power since 1932. And that requires us to adopt, I believe, a fundamentally new strategy: a strategy of replacement. We have to look at every level of American society, and every level of American government, and we have to decide that we are going to replace the left, with policies, systems, and institutions that reflect the heart of the American tradition.

We can't plan for two years. I totally oppose those who try to think in term of the next two years. We have to think in terms of January 2021. Now some people will tell you, there's Gingrich having these wild ideas. I think it is fair to say, if you look at my career, from helping create the Georgia Republican Party, which now occupies every statewide elected position and controls both houses of the State Legislature and the majority of the Congress, to creating the first majority in forty years, and the first re-elected majority since 1928, to four balanced budgets in a row, paying off 405 billion dollars of debt, on occasion, I can actually be practical.

And I think the heart of practicality is to know where you are going before you start traveling. And where we have to go is a goal, is to create a majority that's governed so decisively, with such positive results, that in January 2021, we are inaugurating a team which understands why it is continuing a center-right majority, understands why it is continuing a prosperous America, understands why it's continuing a safe America, and understands why it is continuing the most free society in history. And only if you think out to that achievement, can you understand the challenge of the next two years, because this is an enormously complex country.

There are 513 thousand elected officials. School boards, city council, county commission, county judges in the case of Texas, state legislatures, governors, judges. And what does that mean? It means, if you truly want a wave of change that ends a majority system, which has been around since 1932, the wave can't be the oval office. Not that the presidency isn't important, and not that I may come back here another day and talk to you about that different topic, but that topic by itself is too narrow. The only way the presidency matters is if there is a wave of citizens prepared to help at every level, and a wave of citizens prepared to step in, because if we centralize power out of Washington, and I was with your governor Rick Perry today who I think is a great governor, doing a great job...and he agrees with me. The Tenth Amendment doesn't say send power from Washington to Austin. The Tenth Amendment says “The States and

the people thereof” and so the trick is to get the power through Austin back home. But if we get the power back home, that means citizens have to be engaged.

So what we’re now describing is a replacement model, which is a citizen movement, with local government, state government, and federal government implications. That is how big a change we are describing. And I think it is not about thinking in a fantasy way about 2021, it’s about what we do tomorrow morning, what we talk about next week, what happens in the lame duck, what do Republicans do the day they take over the House, what does the governor do with a new Legislature. It’s an immediate process, which has long term implications. And we have to think that way.

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Now, at American Solutions, we have begun to develop the concept of replacement. But, what I want to suggest to you is a movement. It’s that we think about how deeply this has to happen, and that we create very clear choices.

You know, the defeat of the Soviet empire, which is under-studied because it causes such enormous angst in the academic community to study how Ronald Reagan eliminated the Soviet empire, but people just refuse to take it seriously. But if you read Peter Schweizer’s books, which are brilliant on this topic, Reagan set out in 1947, when he encountered a Stalinist in Hollywood, and he came to the conclusion that this would be bad. Again Reagan used to say, “It’s not that things can’t be simple, it’s just that simple things can be very hard.” And so he decided in 1947, that defeating communism would be a good deal. And he set out on what would be a forty-four year venture.

Now when he got to be elected president, remember, at the time he’s elected president, now I say this because a lot of you are going to tell me about entitlements and how people feel that they are entitled to things, and whether or not we are in a society where people can learn how to be responsible. In 1979-1980, every member of the elite understood the Soviet Union was permanent, it was unchallengeable, we had to find détente, which was a fancy French word meaning understanding, we had to deal with the Soviets with great respect. Reagan is asked by a reporter, “What’s your vision of the Cold War?” And he says four words that change history, “We win, they lose.”

Now, why did this matter? First of all, no liberal could have said that, those four words. You just watched President Obama, first take the word “we”. A narrowing, chauvinistic, nationalist term, that probably didn’t include the whole planet, and the various countries that love peace, want peace, and have always been in favor of peace in between brutalization and savagery.

Second, the word win, which implies somebody lost. I mean such a harsh, unnecessary view of history, when in fact if only we were together, we would love each other in a way that was deeply meaningful, and we would find a method of transcending such trivial ideas. As Gorbachev once said to the Stanford Faculty, “Only an American faculty member can believe things like this.” And I actually think you understand Obama much better if you just assume he is sort of a tenured faculty member who got loaned a new job, for one term.

Anyway...so let me start with a key organizing principle of the next ten years, which is as clear and as vivid and as simple as “we win, they lose.” There is a party, and I try to explain to people it is a very simple model, I actually tried to reduce this to a short-enough sentence that Vice President Biden could

have sort have gotten it. Job killing policies kill jobs. It's only five words. I think it sort of captures it. By the way, you can decide what are job-killing policies by going out to people who create jobs and saying, "Hi, did this kill jobs?" And if it turns out that every small business in your area say, "yes", probably they're right. If you happen to have a Harvard econometrician who says, "Well I don't think so because based on our theoretical model of how the world ought to work, if one of those small business people were really stupid, they'd realize this new policy would actually be fabulous, and they'd love it totally," don't do it, because they haven't got a clue, they haven't created a job in their life.

So start with the idea, job-killing policies kill jobs. The Democrats over the last few years, starting by the way, if you track the economy from Pelosi and Reid taking over in January 2007, all of the bad economy has occurred while the Democrats were in charge of the Congress, and mark my word, the economy will start to improve next year, and it will be because the Republicans are winning a series of policy fights, as a result of which business decides to invest the two trillion dollars that are currently locked up in corporations. And Obama will promptly claim credit for having adopted Republican policies, which he will hope we don't notice. But the fact is, if you just mark the collapse of the American economy by the day Pelosi took over and the day Pelosi left, and then you say, ok what now happened in the post-Pelosi period, which could be called if you want at MSNBC, "the Republican period", but that would be such a harsh term. You are going to find the economy; my prediction is the economy will improve next year. It will improve next year because there will be stability on the tax code, and in fact yesterday, and this is a great tribute to the Republicans and to Pete Sessions in particular, yesterday Axelrod, the President's advisor, said "We will probably sign a bill that says no tax increase on any American, on any level", because after all the Republicans won.

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So a party, which has policies which kill jobs, creates income redistribution, because when you lose your job, Barrack Obama sends you food stamps. Now we want to be, and we are going to send at American Solutions, we are going to send every elected Republican a chart for their wall that says, "What have I done today to help create jobs and paychecks?" This is much more important than balancing the budget, and all that other stuff. The first goal has to be putting Americans back to work, which by the way is the biggest single step towards balancing the budget. If you go from 9.6% unemployment to 4% unemployment, you take 5.6% of the country off food stamps, off unemployment, off Medicaid, and you get them back to paying taxes, there is no single step towards balancing the budget bigger than full employment. And that should be the number one Republican goal. They should fight over it every single day. They should fight over it with litigation reform, they should fight over it with regulation reform, they should fight over it reforming the systems, they should fight over it on taxes. But if you take the model, then it is fair to say that the choice that we want to offer in 2012 is very straight forward. If you think your children ought to have food stamps, you have a party you should vote for. If you think your children ought to have a paycheck or own their own business, you have a party you ought to vote for.

I believe in Texas, you can go into every neighborhood of every ethnic background, and you can say would you rather have your children have food stamps or paychecks, and by 80% or better in every neighborhood, they're going to say, "You know, I really like that paycheck idea." Now that's the courage we have to have, to be clear about it, to be disciplined about it, to mean it, and then to go out and tell everybody, we want them to have that kind of a future.

When I describe replacement, I think there are five goals for replacement. I will describe them very briefly and then take a minute on each one. The first goal has to be to reassert and reestablish the American Exceptionalism.

*“The third goal has to be to recognize that government has been the fourth bubble after information technology in 1999, housing in 2007, and Wall Street in 2008. The government has to become dramatically smaller, dramatically less expensive, much more decentralized out of Washington, and that every major interest group, starting with the government employee unions, will fight bitterly against that kind of change, and that we have to have the courage to stand up on behalf of the American people, our children, and our grandchildren, and the future of this country.”*

The second goal has to be to commit ourselves to benchmarking China and India, and undertaking the reforms necessary to be the most productive, most creative, and most prosperous country in the world, because that is the base to have a national security system that enables us to be the safest, and freest country.

The third goal has to be to recognize that government has been the fourth bubble after information technology in 1999, housing in 2007, and Wall Street in 2008. The government has to become dramatically smaller, dramatically less expensive, much more decentralized out of Washington, and that every major interest group, starting with the government employee unions, will fight bitterly against that

kind of change, and that we have to have the courage to stand up on behalf of the American people, our children, and our grandchildren, and the future of this country.

The fourth is we have to have the courage to tell the truth about radical Islamists, and we have to have the courage to act on that truth.

And the fifth example is that we have to be prepared to say, with the deepest of meaning, that we truly believe that every American is endowed by their Creator with certain unalienable rights, among which are life, liberty, and the pursuit of happiness. And that we are determined to go into the poorest communities, of every part of America, whether it is in the valley, the inner city, poor rural areas, you name it. And we are going to change the culture, we are going to change the bureaucracy, we are going to change the tax code, we are going to do whatever it takes, so that every American is truly capable of pursuing happiness as they have been endowed by their creator. And I believe, the morning all Americans believe that we, as conservatives, are serious about them having the right to pursue happiness, we will create a 70 to 75% majority that will be staggering in the scale of it, and the reach of it, in the neighborhoods we never thought we could carry, simply for a practical reason. We can offer their children and grandchildren a vastly better future than the bureaucratic welfare state of dependency, coercion, and ineffectiveness (applause).

Let me go back to the very first principle. I’m going to take a couple minutes and appreciate your indulging me to do this because I think it’s so important. And I want to start by saying my thinking was very dramatically changed when my wife Callista and I did two movies. The first was “Ronald Reagan: Rendezvous with Destiny” and the second was “Nine Days that Changed the World”.

We set out to do a film about Reagan and in the process of doing the film, and it’s frankly a pretty good film because you put Reagan on the screen for a while it’s inevitably pretty good. And as we were doing it, we went to Europe and we interviewed Lech Walensa in Gdansk, Poland, the electrician who became the head of Solidarity and ended up as the president of Poland. And then we went to Prague and we interviewed Václav Havel who was the poet and playwright who spent three years in jail fighting for freedom, ended up as the president of Czechoslovakia. And we asked each of them, “What was the decisive moment in breaking down the Soviet Empire?” We thought we’d get a great Reagan anecdote and they

surprised us. Both of them said you know it was a year and a half before Reagan was elected, in June of 1979 when Pope John Paul II went back to Poland for a nine day pilgrimage. And what happened was that the Polish people were reminded of the depth of their Christianity, they were reminded of the depth of their national identity. And the Pope convinced them of two things.

The first, the phrase that marked his Papacy, “be not afraid.” And they took seriously being not afraid. One of them says in our movie, “suddenly it was the government who was afraid because the people weren’t.” And second, the Pope said, “Freedom is based on faith and no government has the right to come between any person and God and you can shelter under the cross and the government in the end can do nothing to you because Christ is there.” It’s a remarkable period. My wife’s father’s family is from the Krakow region and she’s very devout and sings at the Basilica. And this was too much for her. We had to do this. We had to do this film, “Nine Days that Changed the World.” And two things came out of it. One was this marvelous moment. It turned out that the bishops who distrusted the Soviet TV system had given out cameras. They had hundreds of hours of footage that had never been seen before and they allowed us to mine it and get really great shots. And it turned out that the first day the Pope arrives in Warsaw, he holds Mass in Victory Square and three million people show up. And as one of the Poles says in our film, “we looked around and we suddenly realized there are more of us than there is of the government . Why should we be afraid of them?” Now remember, this is a government which prohibited praying in school, tore down crosses, and in which it was safer to be an Atheist than a practicing Christian. I know it’s hard for you to imagine a government like that (laughter).

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The second thing that came out of it, as we were studying this and trying to understand it, the Poles spend ten years, literally ten years: June 2, 1979 the Pope arrives, June 4, 1989, first free-election in Poland. It’s an amazing, ten years. And by the way, five months after the Polish elections, the Berlin Wall falls. Poland’s the first country to have a free election in the Soviet Empire and five months later the Berlin Wall falls, the empire’s collapsing.

Because they’re fighting a dictatorship, which can lock them up, it can beat them up, it can kill them, they use subtlety, so, they put signs in store windows that say, “For Poland to remain Poland, two plus two must always equal four”. And I get fascinated with what were they getting at? We actually got a copy of one of the signs. And at American Solutions, we created a bumper sticker. It’s bold, it’s out on the edge (laughter), I think, and I’m quite serious about this, I believe this is the most important governing slogan of the next 25 years. The reason I believe it is, “two plus two equals four” allows no ground for situation ethics. This is a *truth*. “Two plus two equals four” no matter your ethnic background, “two plus two equals four” whether you’re happy or unhappy. Now it leads—we began to research it—it leads to some fascinating places. Camus wrote, in his novel *The Plague*, “There are times when a man can be killed for saying ‘two plus two equals four’ because the authorities can’t stand the truth.” That got us so fascinated, Callista and I recently released a movie which I think will eventually be extraordinarily important, called “America at Risk: The War with No Name”. And your Texas Congressman Lamar Smith is in the film, and for 90 seconds he asks the Attorney General whether or not he thinks there’s any connection between terrorism and radical Islam, and if you watch this 90 seconds, I mean it is painful! If you watch the President two days ago, failed to explain *jihad* to kids in India, it’s painful! These are people who have to lie to themselves about reality, for in their world, two plus two equals whatever number it takes to avoid facing

the truth. So this is a big deal! George Orwell wrote in *1984*, and he said this, he's a left-wing intellectual, he said, "1984 is about the danger of centralized bureaucracy." I mean, if you want to know why the EPA is wrong, why the entire Justice Department is wrong, why the IRS is wrong, read *1984*. Orwell pointed out, it doesn't take place in Moscow, it takes place in London! His point is a democracy can create bureaucrats who then destroy freedom in the implementation. You look at Obamacare and then you read Orwell and you understand. And he has the state terrorist say to the innocent citizen, if the state tells you two plus two equals four, it equals four. I mean, if they say it equals five, it equals five. And if the state says it equals three, it equals three. And the citizen's thinking, "But what if it equals four?" And he decides he's tired of being tortured, so he just doesn't say anything. Well, you look at Henry Waxman's reaction to AT&T telling the truth about the cost of Obamacare, and you will understand *entirely* what Camus and Orwell are saying.

*"First, American exceptionalism. This is the most important argument of the next twenty years and it is the centerpiece of the future of this country, and it will allow you to go into every neighborhood in this country and win an absolute majority."*

Now how does that apply? First, American exceptionalism. This is the most important argument of the next twenty years and it is the centerpiece of the future of this country, and it will allow you to go into every neighborhood in this country and win an absolute majority. And it's very simple. And the President, by the way, showed last year in Europe he didn't have a clue. He was asked in a press conference in Strasberg, "What do you think of American exceptionalism?" And his answer was, "Well, you know, I'm sure that the British think they're exceptional, and the Greek's think they're exceptional", which is nonsense! American exceptionalism is a specific reference to a fact, like "two plus two equals four". Not a theory, a fact. It is a fact, that the founding document of the United States of America, a political document, The Declaration of Independence, says, "We hold these truths", not this ideology, not these principles, not this theory. "We hold these truths to be self-evident, that all men are created equal" and "that they are endowed by their Creator with certain unalienable rights among which are life, liberty, and the pursuit of happiness."

Now I want to drive home and I hope the legislators all here will go back to the legislature next year and will insist that every year from K through 12 and every year at state colleges and universities, students will spend at least one full day on the Declaration of Independence, because (applause), because it poses for the National Education Association, the simple clear question, "How do you explain Creator?" "How do you explain unalienable rights?" Founding Fathers are clear about this. The Founding Fathers believed, this is why it's American exceptionalism, it's the only country in history that says, "Power comes from God, to each one of you, personally. You are personally sovereign" (applause). You loan power to the state. The state does not loan power to you, it is the *opposite* of Obama-ism. Now, it goes on to say its "unalienable", that means no judge, no lawyer, no bureaucrat, no politician can alienate you from your power. It then says, what are the rights? "Life, liberty, and the pursuit of happiness." Two key parts about pursuit.

First, happiness in the Scottish Enlightenment, which is where Jefferson got the phrase from, I actually, at the Library of Congress saw the book he took it from and the underlining in his own personal library, happiness meant "wisdom and virtue", not "hedonism and acquisition". The Founding Fathers all believed that only a wise people could remain free. That a foolish people would inevitably end up in a dictatorship.

The second, notice that it says "pursuit". There's no provision in the Declaration of Independence for an entitlement to happiness. There's no provision for a Department of Happiness (laughter). There's no provision for happiness stamps, so that the under-happy can be compensated (laughter). There's no provision for the right to sue if you're unhappy (laughter). And there's no provision for a politician to walk

in and say, “I am taking from the overly happy to redistribute to the underly happy (applause and laughter), and that’s why Obama-ism is a fundamental, radical break from all of American history and represents some weird combination of academic theory and European secular-socialism. But then that leads us to core values. Because American exceptionalism means the work ethic, which is why I believe we should replace all unemployment compensation with a training program that says, “If you can’t find a job, we will help you, but in return for the help, you must take a course, you must acquire skills, you must do something, we will give no one money for doing nothing. (applause)

Our second goal, its pretty simple and straightforward, benchmark China and India. Simple model: Volvo is a Chinese company. Jaguar’s an Indian company. They believe they can pursue happiness, they’re rolling up their sleeves, they want to come play. The correct answer is to roll up

our sleeves. It’s a little pathetic, frankly, to watch the President of the United States go around the world saying, “You know the Germans and the Chinese ought to quit being competitive ‘cause it’s too hard.” That’s the wrong answer. The right answer is replace trial lawyers with entrepreneurs, replace bureaucrats with small business leaders, focus on an education system that works, you know, adopt a principle, for example, in Detroit and elsewhere, that the primary purpose of the school system is not to pay the union members, the primary purpose is to educate children. It’s a bold, it’s a radical, it’s sort of outside the box model (laughter), but, if we go back, if we take seriously competing with China and India, we will be the dominant country on the planet for the next hundred years. If we don’t have the courage to compete with China and India, we will rapidly cease to be safe and will rapidly cease to be free.

I do not want my two grandchildren, Maggie who is 11 and, by the way, is in the “Nutcracker Suite” this year doing a great job at the Fox Theater in Atlanta, any of you have friends in Atlanta, go to the Fox Theater, you’ll see Maggie there. Anyway, Maggie’s 11, Robert is 9. I don’t want them to grow up in a world in which China’s the leading country. I don’t trust the Chinese autocracy.

I don’t believe it is safe for our freedom, and that means if you want American national security to be number one, you better want American use of science and technology, the American economy, the American manufacturing base, and that means all you have to do is reform seven areas: litigation, regulation, taxation, education, health, energy, and infrastructure. You reform those seven, piece of cake, we got it done, that’s a fact. (laughter and applause).

This goes back to “two plus two equals four”. I don’t believe you can make a business case, you can avoid any of the seven areas and compete with China. And I’m personally prepared to go to the country and say, everybody who thinks we ought to relax and let the Chinese be dominant you’re on that side of the room, everybody who’d like America to compete and be number one, you’re on this side of the room, I think we win that 80-20 or better. But we have to have the courage to make the case.

The third challenge, government’s too big, too expensive, too in debt, and it’s not going to want to change. The interest groups won’t want to change, the government employee unions don’t want to change. Scott Walker, the new governor of Wisconsin had the greatest phrase, he said, “We’ve entered an era, a period, where the government employee unions are the haves and the taxpayers are the have-nots.” Now, in a free

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society, that won't last very long, because there ain't enough of them to dominate us. And that requires the courage to say, you know, that period's over, and I hope that the House Republicans will pick up.

In the article I saw yesterday, when the federal employees are paid as much more than the average taxpayer as they are, the time has come to have a deep and meaningful conversation about compensation. I think, for example, you can solve much of the post office's problems if you simply start hiring new postal workers at a market wage and you find the market wage easy. You advertise for vacancies and find out what people show up for and you'll find out it's about a third of the current cost. And I think we just have to be honest and clear about this and I also hope the House Republicans are going to move a bill in the first month or so of their tenure to create a venue for state bankruptcy, so that states like California and New York and Illinois that think they're going to come to Washington for money can be told, you know, you need to sit down with all your government employee unions and look at their health plans and their pension plans and frankly if they don't want to change, our recommendation is you go into bankruptcy court and let the bankruptcy judge change it, and I would make the federal bankruptcy law prohibit tax increases as part of the solution, so no bankruptcy judge could impose a tax increase on the people of the states (applause).

The fourth area of change, the fourth goal I take in some ways is the most difficult. We are in a war which is fully as dangerous as the Cold War. If our enemies get nuclear weapons, we will lose cities. If our enemies learn how to be more sophisticated, we will suffer horrendous casualties. And I first wrote about terrorism in 1984 in a book called *Window of Opportunity*. I first dealt with terrorism in 1979 as a freshman when the Iranians seized the American embassy. Remember, that in Mark Bowden's book, *Guests of the Ayatollah*, which is about the Iranian hostage crisis, his subtitle is "Iran's first Actions in the War Against America." The current Iranian dictatorship in its mind, has been at war with us for 31 years. There are today between fifty and one hundred thousand missiles, in South Lebanon, Syria, and Gaza, aimed at Israel. We have no understanding of what's coming. We are living in a fool's paradise with an elite that is hiding, I mean, it makes ostriches look like wise owls (laughter). They live in a fantasy world. I say this, I'm the longest serving teaching in the senior military. I served on the Defense Policy Board, I started working with Army's Training and Doctrine command in 1979. I grew up in the US Army. I have a deep, passionate concern about the survival of this country. We have an administration which can't even tell the truth about who our enemies are. The terrorist who was arrested in New York for trying to build a car bomb for Times Square was asked by the judge at the sentencing, how he could do this, since he has sworn an oath of allegiance to the States for his citizenship? And the terrorist stared at the judge like he was crazy. And he said, "You are my enemy! I lied!"

*"We owe it to every citizen in America, to find a way to help them live in a country, where they truly have been "endowed by their Creator with certain unalienable rights". I am sickened by how our prisons currently work. I am appalled at neighborhood with drive by shootings. I am personally enraged by schools which protect bad teachers that destroy students. And I am infuriated by local politicians who kill jobs, impoverish neighborhoods, and preside over the devastation of people."*

Now that is so hard to get across to the Attorney General, and frankly it's so hard to get across to John Brennan, the National Security Advisor to the President, and apparently so hard to get across to the President, who lives in a fantasy world in foreign policy. He goes around the planet saying things that are patently untrue. And what's really dangerous, and what Ronald Reagan once said, "What's really frightening is that they actually believe things that aren't true. And they act on those beliefs." And we're faced with a long, long conflict. And a hard conflict. And as I said, Callista and I just did a movie called "America at Risk: The War with No Name". I believe that we are not going to have a success in three years, or five years, or ten years, which means we better rethink places like Afghanistan to make them sustainable. We're not, this is not World War II, we're not going to mobilize and win in three years. And so we better figure out,

what's the right strategy, how do we bring our power to bear, how do we defeat our opponents? And we haven't even begun that conversation.

We are where the United Nations, the United States was between 1947 and 1950, when we were first coming to grips with the Soviet Union. But thinking that through and getting that done, and making sure that we understand our enemies, and we defeat our enemies, is central to the survival of the United States and that has to be one of the top five goals.

The last one I want to go back to for a minute because it's so central, both to our health as a country, to our majority as a movement, and to our responsibility as people of faith. We owe it to every citizen in America, to find a way to help them live in a country, where they truly have been "endowed by their Creator with certain unalienable rights". I am sickened by how our prisons currently work. I am appalled at neighborhood with drive by shootings. I am personally enraged by schools which protect bad teachers that destroy students. And I am infuriated by local politicians who kill jobs, impoverish neighborhoods, and preside over the devastation of people. We have to take the moral commitment to help every single American of every ethnic background truly have the right to pursue freedom, and, (applause) I'm sorry the right to pursue happiness, and we have to have the moral courage to go into every community and have the argument. And the morning, every community believes conservatism is about them, as Jack Kemp used to say, "They have to know that you care, before they care that you know". The morning people believe we are serious about this, the world will change for a half-century or longer, and we will be the natural governing majority of America (applause).

Let me close with this comment, and I'm partly inspired to do this because of conversation I had the other night with James Robison. Obviously, Callista and I in the near future, are faced with some very big decisions. But I would ask you to pray not for us, but for our country. What really matters isn't the two of us. What really matters is each one of you. If we become, once again, the America, you know, it wasn't Washington at Valley Forge, there were 14,000 people who had the courage to be with him. It wasn't Washington the year before, who crossed the Delaware, there were 2500 people, a third of whom didn't have boots. They had wrapped their feet in burlap bags and they left a trail of blood. It's not the leader, it's the community. If we can arouse the community of faith, the community of belief, a community of patriotism, then the job Callista and I will have to do is very easy. And if we can't, then our job's hopeless. So I hope, as you think about tonight's message, you'll think at the bottom of your heart, of your own family, your own loved ones, and your country, what it is *we* have to do, so that *we* can bring America back to the country it should be. Thank you (applause).