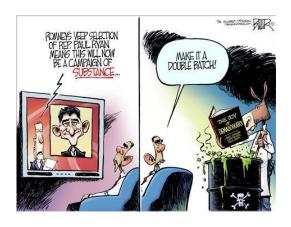
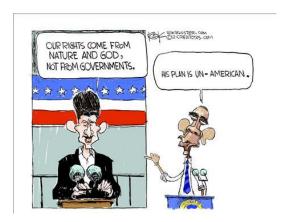


Stephen L. Bakke Stephen 21, 2012

I originally intended to complete a painstakingly complete and convincing file about Paul Ryan. With that I would carefully craft an eloquent summary of Paul Ryan's vast intelligence and explain how that is conveniently complemented by his even greater wisdom. I was planning to have several clever cartoons and even jokes about the contrast between Ryan and the Democrat's ticket.





Then I changed my mind because I found in my archives a speech Paul Ryan gave in 2011. It's all about American Exceptionalism, from a foreign policy perspective. The remarkable part of the speech, since it was given by one of the foremost voices on budgeting and finance in Congress, is its depth and understanding of U.S. foreign policy. The highlights provided are mine alone. Use them for a quick review of the basic message. My title for this speech would be:

A SAFER WORLD AND A MORE PROSPEROUS AMERICA GO HAND-IN-HAND!

Wisconsin Representative Paul Ryan, House Budget Committee Chairman Speaking to the Hamilton Society in Washington – June 2, 2011

Thank you so much, Rich, for the kind introduction.

Some of you might be wondering why the House Budget Committee chairman is standing here addressing a room full of national security experts about American foreign policy. What can I tell you that you don't already know?

The short answer is, not much. But if there's one thing I could say with complete confidence about American foreign policy, it is this: Our fiscal policy and our foreign policy are on a collision course; and if we fail to put our budget on a sustainable path, then we are choosing decline as a world power.

The unsustainable trajectory of government spending is accelerating the nation toward the most predictable economic crisis in American history. Years of ignoring the real drivers of our debt have left us with a profound structural problem. In the coming years, our debt is projected to grow to more than three times the size of our entire economy.

This trajectory is catastrophic. By the end of the decade, we will be spending 20 percent of our tax revenue simply paying interest on the debt – and that's according to optimistic projections.

Our fiscal crisis is above all a spending crisis that is being driven by the growth of our major entitlement programs: Social Security, Medicare, and Medicaid. In 1970, these programs consumed about 20 percent of the budget. Today that number has grown to over 40 percent.

Over the same period, defense spending has shrunk as a share of the federal budget from about 39 percent to just under 16 percent – even as we conduct an ambitious global war on terrorism. The fact is, defense consumes a smaller share of the national economy today than it did throughout the Cold War.

If we continue on our current path, the rapid rise of health care costs will crowd out all areas of the budget, including defense.

This course is simply unsustainable. If we continue down our current path, then a debt-fueled economic crisis is not a probability. It is a mathematical certainty.

Some hear these facts and conclude that the sun is setting on America... that our problems are bigger than we are... that our competitors will soon outrun us... and that the choice we face is over how, not whether, to manage our nation's decline.

It's inevitable, they seem to say, so let's just get on with it. I'm reminded of that Woody Allen line: "More than any other time in history, mankind faces a crossroads. One path leads to despair and utter hopelessness. The other, to total extinction. Let us pray we have the wisdom to choose correctly."

Look – our fiscal problems are real, and the need to address them is urgent. But I'm here to tell you that decline is not a certainty for America. Rather, as Charles Krauthammer put it, "decline is a choice."

It is hard to overstate the importance of this choice. In The Weary Titan, Aaron Friedberg -- one of the founders of the Hamilton Society -- has shown us what happened when **Britain made the wrong choice at the turn of the 20th century**.

At that time, Britain's governing class took the view that it would be better to cede leadership of the Western world to the United States. Unfortunately, the United States was not yet ready to assume the burden of leadership. The result was 40 years of Great Power rivalry and two World Wars.

The stakes are even higher today. Unlike Britain, which handed leadership to a power that shared its fundamental values, today's most dynamic and growing powers do not embrace the basic principles that should be at the core of the international system.

A world without U.S. leadership will be a more chaotic place, a place where we have less influence, and a place where our citizens face more dangers and fewer opportunities. Take a moment and imagine a world led by China or by Russia.

Choosing decline would have consequences that I doubt many Americans would be comfortable with.

So we must lead. And a central element of maintaining American leadership is the promotion of our moral principles – consistently and energetically – without being unrealistic about what is possible for us to achieve.

America is an idea. And it was the first nation founded as such. The idea is rather simple. Our rights come to us from God and nature. They occur naturally, before government. The Declaration of Independence says it best: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness."

There are very good people who are uncomfortable with the idea that America is an "exceptional" nation. But it happens that America was the first in the world to make the universal principle of human freedom into a "credo," a commitment to all mankind, and it has been our honor to be freedom's beacon for millions around the world.

America's "exceptionalism" is just this – while most nations at most times have claimed their own history or culture to be exclusive, America's foundations are not our own – they belong equally to every person everywhere. The truth that all human beings are created equal in their natural rights is the most "inclusive" social truth ever discovered as a foundation for a free society. "All" means "all"! You can't get more "inclusive" than that!

Now, if you believe these rights are universal human rights, then that clearly forms the basis of your views on foreign policy. It leads you to reject moral relativism. It causes you to recoil at the idea of persistent moral indifference toward any nation that stifles and denies liberty, no matter how friendly and accommodating its rulers are to American interests.

This raises an important question: What do we do when our principles are in conflict with our interests? **How do we resolve the tension between morality and reality?**

According to some, we will never be able to resolve this tension, and we must occasionally suspend our principles in pursuit of our interests. I don't see it that way. We have to be consistent and clear in the promotion of our principles, while recognizing that different situations will require different tools for achieving that end.

An expanding community of nations that shares our economic values as well as our political values would ensure a more prosperous world ... a world with more opportunity for mutually beneficial trade ... and a world with fewer economic disruptions caused by violent conflict.

But in promoting our principles, American policy should be tempered by a healthy humility about the extent of our power to control events in other regions.

For example, we share many interests with our Saudi allies, but there is a sharp divide between the principles around which they have organized their state and the principles that guide the United States. Increasingly, we hear voices in the Kingdom calling for reform. We should help our allies effect a transition that fulfills the aspirations of their people.

In Syria and Iran, we are witnessing regimes that have chosen the opposite path. Instead of accommodating the desires of their peoples for liberty and justice, these regimes have engaged in brutal crackdowns, imprisoning opposition leaders, and killing their own citizens to quell dissent.

The Soviet dissident, Natan Sharansky has testified to the power of words to those suffering under the boot of oppression. Sharansky said in reference to President Reagan's inspired "Evil Empire" speech, "This was the moment. It was the brightest, most glorious day. Finally a spade had been called a spade. Finally, Orwell's Newspeak was dead."

We have a responsibility to speak boldly for those whose voices are denied by the jackbooted thugs of the tired tyrants of Syria and Iran.

In the Arab Spring we are seeing long-repressed populations give voice to the fundamental desire for liberty. But we are also seeing the risks that emerge when the advancement of freedom is stunted for want of the right institutions. In such societies, the most organized factions often lack tolerance and reject pluralism. Decades without a free press have led many to treat conspiracy theories as fact.

It is too soon to tell whether these revolutions will result in governments that respect the rights of their citizens, or if one form of autocracy will be supplanted by another. While we work to assure the former, American policy should be realistic about our ability to avert the latter.

What we can do is affirm our commitment to democracy in the region by standing in solidarity with our longstanding allies in Israel and our new partners in Iraq.

Where revolution has come, as well as in states struggling to adapt without violence, our policy should be guided by a readiness to assist the peoples of the region in the arduous task of building free societies.

Our ability to affect events is strongest in Iraq and Afghanistan, where for the last decade we have been fighting the scourge of global terrorism. In these countries, we can and we must remain committed to the promotion of stable governments that respect the rights of their citizens and deny terrorists access to their territory.

Although the war has been long and the human costs high, failure would be a blow to American prestige and would reinvigorate al Qaeda, which is reeling from the death of its leader. Now is the time to lock in the success that is within reach.

We cannot face these challenges alone. To the contrary, we need our allies and friends to increase their capacity and willingness to act in defense of our common interests.

The first step in that process is robust and frank engagement with our closest allies. We all share an interest in the maintenance of the international order with its liberal trading system, general tranquillity, and abundant opportunity – and we should all share the burden of maintaining it

The Obama administration has taken our allies for granted and accepted too willingly the decline of their capacity for international action. Our alliances were vital to our victory in the Cold War and they need to be revitalized to see us through the 21st century.

We must also embrace the opportunities that trade offers to strengthen our ties of friendship. The administration finally is no longer impeding long-overdue free trade agreements with Korea, Colombia, and Panama. These agreements serve our mutual political and economic interests, and they should be sent forward for the prompt consideration of Congress.

Part of revitalizing our network of friendships and alliances is expanding that network to include the rising democratic powers of India and Brazil, which share many of our core principles and interests.

At present these powers are freely consuming the global public goods America provides, but their growing economies and maturing political systems will enable them to play a larger global role. We must be willing to listen and accommodate their legitimate concerns as we preserve the framework of the international system and solidify our leadership within it.

We also have to meet the challenge of rising powers with very different values and interests from our own and of the broader community, most notably China.

The key question for American policymakers is whether we are competing with China for leadership of the international system or against them over the fundamental nature of that system.

It is a debate in which we must demonstrate American strength – economic, military, and moral – to make clear our choice to reject decline and instead recommit to renewed strength and prosperity. According to press reports, some Chinese leaders have started talking about when, not if, the United States will lose its status as a great power. We must demonstrate that planning for the post-American era is a squandered effort on their part – and that America's greatest days lie ahead.

Also – we should seek to increase China's investment in the international system. We should welcome the contributions and strengths that over one billion people can offer and push for the government of China to give those people space to express their personal, religious, economic, and civil ambitions.

A liberalizing China is not only in the interests of the world, but also in China's own best interest as it copes with the tremendous challenges it faces over the next couple of decades. Just as America faces an entitlement crisis driven in part by the aging of our population, China faces an even more severe demographic crisis driven by years of coercive population controls.

The stresses that this rapid aging will place on China's economy and financial system are gargantuan. The ability of China to meet these challenges tomorrow will depend critically on whether they address their unsound economic policies today. Their export-led growth strategy has

produced rapid growth, but it has also required policies that are causing massive distortions in the underlying economy.

Ultimately, we stand to benefit from a world in which China and other rising powers are integrated into the global order with increased incentives to further liberalize their political and economic institutions. Managing the strengths of these new powers – as well as their weaknesses – is necessary to creating vibrant markets for American goods and services, and expanding our influence abroad and our security at home.

A safer world and a more prosperous America go hand-in-hand. Economic growth is the key to avoiding the kind of painful austerity that would limit our ability to generate both hard and soft power.

A more prosperous economy enables us to afford a modernized military that is properly sized for the breadth of the challenges we face. Such a military must also be an efficient and responsible steward of taxpayer dollars in order to maintain the confidence of the American people. The House-passed budget recognizes this, which is why it includes the \$78 billion in defense efficiency savings identified by Secretary Gates.

By contrast, President Obama has announced \$400 billion in new defense cuts, saying in effect he'll figure out what those cuts mean for America's security later. Indiscriminate cuts that are budget-driven and not strategy-driven are dangerous to America and America's interests in the world. Secretary Gates put it well: "that's math, not strategy."

I'll close on a final thought: Britain's premature decline was triggered by a crisis of confidence among its political leadership. Once they concluded that they should manage Britain's decline, it mattered little what Britain was objectively capable of achieving on the world stage. This crisis of self-perception was fatal to Britain's global leadership.

Today, some in this country relish the idea of America's retreat from our role in the world. They say that it's about time for other nations to take over; that we should turn inward; that we should reduce ourselves to membership on a long list of mediocre has-beens.

This view applies moral relativism on a global scale. Western civilization and its founding moral principles might be good for the West, but who are we to suggest that other systems are any worse? – or so the thinking goes.

Instead of heeding these calls to surrender, we must renew our commitment to the idea that America is the greatest force for human freedom the world has ever seen; a country whose devotion to free enterprise has lifted more people out of poverty than any economic system ever designed; and a nation whose best days still lie ahead of us, if we make the necessary choices today.

Thank you.