

**U.S. GLOBAL LEADERSHIP COALITION**

**PUTTING SMART POWER TO WORK: A LOOK AT THE 112<sup>TH</sup>  
CONGRESS**

**OPENING REMARKS:**

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**INTRODUCTION:**

**VIN WEBER,  
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**MODERATOR  
MARK GREEN,  
MEMBER,  
USGLC BOARD OF DIRECTORS**

**SPEAKER:**

**NEWT GINGRICH,  
FORMER SPEAKER OF THE HOUSE,  
UNITED STATES HOUSE OF REPRESENTATIVES**

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JOHN MURPHY: Good morning. Welcome to the U.S. Global Leadership Coalition's "Putting Smart Power to Work" series. My name is John Murphy. I'm vice president for international affairs at the U.S. Chamber of Commerce, and I'm also pleased to serve as a board member of the U.S. Global Leadership Coalition. I want to welcome all of our guests here today, especially our keynote speaker Newt Gingrich, a long-time champion of the International Affairs Budget.

The U.S. Chamber is proud to be a long-time member of the USGLC, which has been called a strange-bedfellow coalition. It brings together hundreds of businesses, NGOs and development professionals. It also includes a "who's who" of national-security experts led by Gen. Colin Powell. It brings together, as well, brass-top leadership from 75 retired three-star and four-star generals and admirals, as well as grass-top leaders in all 50 states.

We come together around a belief that America must remain engaged in the world, and that requires a full range of tools, including a strong International Affairs Budget. The chamber understands the importance of the smart-power agenda to our national security, but we also see it as critical to our economic security.

Today, one out of five American jobs are export-related. In the manufacturing sector, it's one in three. And one in three acres on American farms are planted to feed hungry consumers overseas. This year, for the first time, over half of our exports will go to developing countries.

American business understands the need to invest in economic development, health, education and rule of law if we are to ensure growing, stable markets for our products. The International Affairs Budget is a fundamental tool for advancing U.S. economic and strategic interests around the world. We are proud to be involved in one of the issues that garners bipartisan support in Congress today and we look forward to today's conversation. Ester?

ESTER KURZ: Thank you, John. I'm Ester Kurz. I'm AIPAC's legislative director, strategy director at the American Israel Public Affairs Committee. And AIPAC has been a proud founding member of the U.S. Global Leadership Coalition.

And I can't help but – every time I come to a USGLC event, is to marvel at the number of groups and causes that come together for the one purpose of securing an effective and strong International Affairs Budget. It wasn't that long ago when I recall that AIPAC was one of, literally, a handful of groups standing outside the budget committee arguing on behalf of a strong 150 function.

And it wasn't that long ago when our two honored guests, Congressman Vin Weber and Speaker Newt Gingrich – who are literally one of a handful of Republican members who had the foresight and the courage to stand up on behalf of U.S. engagement in the world and on the need for U.S. resources to secure that engagement.

So we're here today in a very different world. There is a U.S. Global Leadership

Coalition which has grown in membership and in reach and in congressional districts throughout the country so that members of Congress are hearing from lots of different groups about the importance of an International Affairs Budget.

And we are living in a world that is much more interdependent. As John mentioned on the economic side, U.S. economy is intrinsically linked to the world economy, and Americans see that and understand it. In this post-9/11 world, Americans also intrinsically understand that what happens in places like Sana'a, Yemen can have profound consequences for cargo planes coming into Philadelphia, Pennsylvania.

We can no longer afford, as a country, to turn our back on the world. Despite the economic difficulties we're facing here at home, we can't do national security on the cheap. And we understand that in terms of the defense budget, but national security is about much more than our defense budget and military spending. It's no longer just about two armies facing each other in conventional warfare, but it's about terrorist groups that have free reign in failed states in the Middle East and throughout the world.

It's about pandemics that spread quickly in countries that don't have adequate health care. And we need to engage, and we need to provide the resources for that engagement. And that's why Democrats and Republicans have come together in support of the International Affairs Budget. And that's why we're so honored to have the two members who are here today to talk to us about it.

Speaker Gingrich has been one of the real champions of the International Affairs Budget, both when he first came to Congress and as speaker. He was actively involved in speaking eloquently and passionately – as only he can – about the importance of this budget and the importance of the U.S. being engaged in the world.

And so I know I join with everybody in the room in expressing our appreciation, Speaker Gingrich, for your years of involvement and your leadership on this critical issue. And we know we're going to need that leadership and that voice in the coming years as we face the challenges ahead.

And at his side throughout all this has been Congressman Vin Weber, who, again, when he first came to Congress – actually before he came to Congress, when he was an aide to Senator Rudy Boschwitz. But his 12 years in Congress serving the second district from Minnesota, he also was a passionate advocate for the foreign-affairs account. He personally lobbied Republican members – we were in the trenches with him out there lobbying to support the foreign-aid bill and underscoring the importance of that bill.

And he's continued his involvement in international affairs since leaving Congress. He is chair of the National Endowment for Democracy. He is on the board of the Council of Foreign Relations. He is a member of the secretary of defense policy-advisory committee and a member of the secretary of state's advisory commission on democracy promotion. We're also proud to say that he serves on the U.S. Global Leadership Coalition's advisory council and has been a key friend and ally.

So please join me in welcoming a great friend and a great statesman, Congressman Vin Weber, who will be introducing Speaker Gingrich – (applause).

VIN WEBER: Thank you. Wonderful. Thanks very much, John. Thank you very much. Great to be with you this morning. I am here for two reasons: one is my tremendous respect and friendship for Speaker Gingrich, and the other is because I've learned over my 12 years in Congress that when Ester Kurz asks me to do something, I just saluted it and did it.

But it's a true pleasure to be here to introduce the speaker this morning. I was elected to Congress in 1980 – sorry, 1981, 1982. Speaker Gingrich had been elected two years earlier. And I was thinking about the traditional introduction I could give to him. There are so many things to say about Newt Gingrich that's appropriate to this topic and this audience. He does have a Ph.D. in European history. He is the most frequent lecturer to the senior military officers and has been for over 25 years. He's, in a sense, trained much of our upper-military command.

He did authorize the Hart-Rudman Commission, one of the most important commissions looking at our national security structure in recent years. He is the author of 22 books. All that is very important, but I want to talk about Newt Gingrich a little bit more personally for a second, if I can, because I can remember the first day that he and I began working together – the very first day.

And it was – in my first term in Congress we didn't really know each other personally very well. We kept finding, in Republican conferences, that we were coming down on the same sides of different issues, saying more or less the same things.

There was a lame-duck session after that election in 1982. And the last day of the lame-duck session of 1982, I remember standing in the well of the House, and this guy who I knew but didn't really know came up to me. And Newt's exact words to me were: "What are you doing for the next 10 years?" (Chuckles.) Word for word. And I thought about it, I said, "I don't know, I guess I'm hanging around here." (Chuckles.)

But that was the beginning of an effort to pull together a group of members of Congress that did a lot of things together. And in the popular reading of it, Newt Gingrich led the Republicans to take back the House of Representatives, after 40 years, in the 1994 election. And that's, of course, true. But that was not the primary objective.

Newt Gingrich's primary objective was to transform the Republican Party into a modern instrument that could positively lead America in a time of profound change that he saw coming and very few others did. I remember an analogy that Professor Gingrich used for us at Congress. He said, America, for decades, has been like a boat on a very still lake. And we're about to enter a white-water river. This was in the 1980s. When I think about what has happened to our country over the last 20 or 30 years – how prescient that was.

I truly believe that other than Ronald Reagan, nobody in my lifetime has done more to help transform the Republican Party and the U.S. House of Representatives into an effective

vehicle for leading America in a very dangerous time. And those times are not getting less dangerous, they are getting more dangerous. So it's a tremendous pleasure for me to introduce to you one of our country's most important leaders, and one of my closest friends, Speaker Newt Gingrich. (Applause.)

NEWT GINGRICH: Thank you. I just said to Vin, it was the right question. (Laughter.) Let me build on that notion of taking a longer view, and come back to the immediate situation we are in today. And I want to start with, in a sense – if you notice the “building a better, safer world.”

One – leaderships are never more than a generation deep. And they always have to go through a cycle of education for the next wave. Vin and I did a lot of stuff in the '80s that was designed to move the House Republican party into being more engaged in the world. But the truth is, we were doing it in the shadow of Ronald Reagan. And Ronald Reagan made it dramatically easier. We didn't always agree with the president; there were places where we had pretty strong disagreements. But we were disagreeing within a framework that he had helped establish.

Ronald Reagan was, in fact, an FDR Democrat and had grown up in a world in which FDR created much of modern internationalism. But we went through an enormous debate – much of it very bitter – between 1947 and 1952 over the nature of reality, whether or not there were real threats to our survival, what we had to do about it.

And I think it's easy to go back and forget how deeply people disagreed and how acrimonious some of the debates were and how profoundly wise the country turned out to be as it wrestled with these things and came together to solve them. Occasionally I write alternative histories as fiction. You could write a dozen different versions of the late 1940s that lead to a less-positive world.

Now, we took very big decisions, many of which involved what you would call “smart power”, some of which involved just brute force. I mean, the Korean War was not elegant, but was probably necessary. The Marshall Plan is one of the most extraordinary moments in human history. And here you have the wealthiest country in the world, the most powerful country in the world, the safest country in the world making a series of general strategic decisions, as a result of which it poured out resources not only to its allies but to the enemies it just defeated, and did so as a conscious act of will to create a better, safer world.

I think one of the challenges we face – and part of it's, I think, a confused American unwillingness to sound too important. The fact is, that generation succeeded. You look at the level of middle-class activity worldwide. You look at the number of people engaged in the global market. You look at the number of countries that have a relatively decent rule of law.

And the last 60 years have been amazingly successful – 65 years. You look at the collapse of the Soviet empire. You could make an argument that the strategy of containment and the strategy of worldwide coalition-building designed between 1947 and 1950 turned out to be as successful as any strategic endeavor in human history. Ultimately, it changed the world at lower

cost in terms of violence and with greater overall impact than any strategy I can think of, and did so, I think, with enormous discipline and through great difficulties.

We've had bad economic times. But it didn't lead us to forget that we were living in a planet, and that it was in our interest for that planet to be sustained. I mean, I'm not all that – I think there are grounds for charity, and I'm very much willing to donate to mission work and to donate to charitable work in the private world.

But that's not the primary purpose of the United States government's international involvement. The primary purpose of the United States government's international involvement is to, in fact, make the world better for America. And I think we failed to go out and make this case.

We failed to go back to our fellow Americans and say, look, it's important to your neighborhood, it's important to your children and grandchildren, it's important to your job that we have a world market, that we have a worldwide communication system, that we have a worldwide transportation system, that we have the free flow of people and goods around the planet.

In my newest novel "Valley Forge", we have a very strong role played by two people: Marquis de Lafayette and Baron von Steuben. Lafayette was a very young French aristocrat when he came, and in many ways became for Washington the son he never had. They were very, very close. And it's no accident that if you go to the U.S. House chamber, the only two portraits that are hanging are George Washington and Lafayette, because the Congress of the 19<sup>th</sup> century understood that, without French help, we would not have become an independent country.

The creation of the modern American army is, to a peculiar degree, a reflection of Baron von Steuben's willingness as a Prussian professional soldier to come to America and to invent a new model of drilling that fit a free people and trained us. And by the end of the book, an army which had never been able to stand in the field against the British defeats them decisively at Monmouth.

And part of our purpose in writing the book was to have an entire sub-theme of what was, in effect, smart power. I mean, von Steuben, by himself, was worth multiple divisions because he trained the army and made it capable of standing up to the British. Lafayette, by himself, was invaluable, because it's conceivable that without him, Washington would in fact have been dismissed.

And it is Lafayette's intervention with the Congress, and the point he made, which was that if the Congress was stupid enough to fire Washington, he would personally write the king and make sure that all the aid from France was cut off.

Now, there are moments in modern history in places like Kabul when studying those kind of relationships is useful, and realizing, it's always complicated, it's always difficult, but that a smart country consistently prefers to apply smart power and to avoid military engagement if it

possibly can. And when it has to engage militarily, it wants the largest possible component of economic, intellectual, military and communications – I mean, economic, diplomatic and communications help to surround its military activities.

There are very few times in life when you fight total war, where you don't have to worry about communicating because you're going to annihilate your opponent. And in most of – in most of history's engagements, you actually want to have all sorts of other things happening around you so that – I argue, beginning of 2002, the most important project in Afghanistan was road-building because, in fact, we represent modernity, and to get to modernity, people have to be able to travel. If they can't travel, they can't break out and they're trapped in their valleys.

And I think this kind of thinking has to permeate what we're doing. Where we're at, I think, is – it's three levels. First of all, I am convinced that – with a reasonable amount of educational effort – that the new Congress will, in fact, be very supportive of the development of smart power. And I believe that the work that began under Secretary Rice – who really began to systematically think about modernizing the State Department – and has been continued under Secretary Clinton is very, very important.

And I've publicly spoken on many occasions about the need, frankly, to have a bigger Foreign Service, because you – the Foreign Service is so small, you can't actually do effective training, because everybody's too busy. And if you look at the military system, the military has to have enough personnel to allow people to go get trained, or in fact the military couldn't adapt and evolve and reach the level of professionalism it does.

It also requires, candidly, a continuing effort to get the State Department to understand that it has to accept the concept of metrics and it has to accept that there has to be an outcomes-based model of smart power. It can't be just about process and it can't be just about sincerity, but it has to actually involve, what are you going to get done by when, how will we know you did it, and how will it change the real world?

And I think we're still way behind the curve in that. And that leads to some of the tension between the Pentagon and the State Department, because they operate on such fundamentally different intellectual models. And that then permeates the culture of the two. I also think we have to recognize that in some areas, our application of smart power hasn't been very smart. It hasn't worked.

I think Haiti ought to be a major study ground for us. The fact that you have a very small country very close to our shore that we have been actively engaged in at least since the 1920s and that we have failed so totally to understand a model of development and a model of human potential and a model of the rule of law that it remains today one of the most painful examples on the planet of the failure of governance and the failure of creating opportunity for people.

We ought to be much tougher-minded about this, and we ought to look at it in a much tougher-minded way and ask ourselves, what does it mean? The other challenge, I will say – I want to just mention two challenges in general about where we are that I'm very concerned about.

The first is, I think we've got to recognize that we are currently in the early stages of a war which is going to go on for a very long time and for which we currently do not have any language to explain.

My wife Callista and I did a movie that was released, probably unwisely, in the early stages of the campaign and 9/11. I called it "America At Risk: The War With No Name". And as it continues to percolate out there, it'll become more and more controversial, because we are very blunt and direct about the fact that if you can't describe radical Islamists, if you can't – if you have no language to explain who your enemies are, you can't possibly design a strategy to defeat them.

And I think we have been now, for a decade – actually, I would argue that Mark Bowden in "Guests of the Ayatollah" – Bowden wrote "Black Hawk Down" as his most famous book – but he wrote a very interesting book two years ago called "Guests of the Ayatollah", which is a study of the 1979 Iranian hostage crisis, which he – as the subtitle is, Iran's first actions in the war against America.

And in Bowden's version – and Bowden's not ideological, he's a very interesting reporter for the "Philadelphia Inquirer" – but Bowden's argument is that for 30 years, the Iranian government has done exactly what it's doing: it's waging war. And it has – I want to use this for my example because I think this is a very, very key point, and this is a very sophisticated audience, and many of you will find this very uncomfortable. I want you to be uncomfortable, because I want you to have to confront this.

I'll give you two examples, because we don't want to come to grips with the fact that we're at war; we're not at formal war, this is not World War II. We're not going to mobilize the nation, which poses very interesting intellectual problems. How does a democracy sustain a campaign that may last a century or more? What does that campaign look like? How do you describe it? How do you describe radical Islamists without alienating all of Islam? The answer by our elites has been "don't".

Well then, how do you describe who we're fighting? You have a Detroit bomber in Christmas day. You have a bomber in Times Square and you have a terrorist kill 13 Americans and wound 33 at Fort Hood. What's their common characteristic? I mean, the only thing you can say that would be politically correct is, none of them are Rotarians. (Laughter.)

Well, that's absurd. You can't go back to this model and talk about smart behavior and then say, well, we're not going to even figure out how to have a language to describe who's trying to kill us.

Two specific examples of what war means: no one in this country is currently – at least, no one in authority – is currently asking themselves why has the buildup of missiles around Israel gotten as big as it is, and what percentage of that is funded by the Iranians? I say in asterisks – I don't have any clearances right now. Don't one of you – I don't use any clearances,



I haven't – but I don't want to know anything that's secret for obvious reasons, because I do TV all day every day.

There are numbers as high as 50 to 100,000 short-range missiles within reach of Israel. Now, somebody ought to be looking at that and stamp on the sheer catastrophic effect. People who've learned they can't wage tank warfare, and they've learned they can't wage aviation warfare, have figured out that they could, in fact, launch an amazing number of missiles. And nobody's gaming out, so what happens one Thursday afternoon if you suddenly have 6,000 of them fired? And is anybody here prepared to say, that can't happen, that won't happen, the missile's just there for negotiating purposes? I don't believe it.

Second, the U.S. judge, in sentencing the Pakistani, who had theoretically been a U.S. citizen, who built the car bomb, said to him – and I want you to just think about this question, because it takes a nation an enormous denial, nine years after 9/11, to ask this question. The judge said to him, how could you do this? You swore an oath of allegiance to the United States when you became a citizen? And the Pakistani stared at him in disbelief. And he said, we are at war. I lied.

Now, we're not prepared to come to grips with that, because it has horrendous implications. So one level I want to suggest to you where we are – this is one of the two great intellectual challenges we face that, if you really want to talk about smart power, you have to start to talk about smart strategies. If you're going to have smart strategies, you better have honest intellectual frameworks.

And the first one is, we need a debate comparable to the period 1947-1950 in which we really have a national dialogue about what is threatening to kill us, how do we deal with it, what's a long-term strategy that's real, how do we sustain it, what are the institutions we need to invent and what are the institutions we need to transform? And what are the metrics by which we're going to measure those institutions?

We built the CIA, the Strategic Air Command, the North American Treaty Organization. We created an entire range of capabilities with point four when we intervened to replace Britain, with Turkey and Greece, the Marshall Plan – I mean, go back and look at the level of invention between 1945 and 1952, and that created the world we've inherited. We're not anywhere near prepared for that debate right now.

The second point I would make that I think is at the heart of sustaining the American people's commitment and the heart of measurement – it's very simple and, again, will be very controversial: We stand for a world transformed. That is, if we succeed, Afghanistan won't resemble Afghanistan. It will be a modern country with people leading modern lives doing modern things, traveling in a modern way, living under the rule of law.

We underestimate gigantically what a fundamental assault that is on the people that we're changing. They don't. We represent the end of their way of life, and we don't want to talk about it, we don't want to be honest about it. And then we're shocked because we're not inventing the strategies we need to invent. Across all of sub-Saharan African, we want modernity.

And by modernity I mean the rule of law, prosperity, people who are self-sustaining, a continuous growth pattern that leads them to be wealthier with each generation, public health at least at the level we expect in the United States or Western Europe. That's what modernity is, but that really is a fundamental threat to an amazing number of people around the planet.

And we would be much better off, in the long run, if we were just honest about it and then designed strategies that achieved it – not necessarily imposed it, but that achieved it. And I think that all of our efforts have actually been achieving it gradually, but it's very tricky to design strategies and not to understand what you're doing and then not to find a way to integrate them to actually get it done.

And I think when you look at smart power and the use of all the non-military capabilities we have – which are enormous, and which, by the way, I think have been working. I mean, I think that Facebook and Twitter and Google and 101 different things we're doing have, in fact, dramatically expanded freedom on the planet in ways that nobody could have understood 40 years ago. And I think we can do a lot more of it.

I would call for – and I've recommended this for a number of years – I would hope that we would always have the budget on national security presented jointly by the secretary of state and the secretary of defense. I would hope that we would always have a way of measuring – I mean, I do think the initiation of a quadrennial review is a very good thing at State.

And I think that we ought to consciously think through how we develop an integrated approach to explaining, setting goals and managing the application smart power worldwide and accept the reality that we are – unless we are just immensely stupid and self-destructive – we are going to be the leading country on the planet at least for another half-century or more. And therefore, we are going to bear a burden of leadership and we are going to bear a responsibility worldwide.

And the more we can do that in a smart way, minimizing our military application of force and maximizing all of our other assets, the better off we'll be and the more acceptable it will be to the rest of the planet. And I think in that sense, what you're trying to do is very important and I can assure you, I'm going to do everything I can to help you with the new Congress in explaining the centrality of smart power to developing a better future. And I look forward to your questions. (Applause.)

MARK GREEN: Well done. I'm Mark Green, I'm the managing director of the Malaria Policy Center and I'm on the board of the Center for U.S. Global Leadership and a recovering politician. (Laughter.) Now, I was not in office under Speaker Gingrich, but in a lot of ways, I was one of those who got into office because of Newt Gingrich.

And back in the late '80s and early '90s, as Newt and Vin and others were transforming the Republican Party but also training the Republican Party and potential candidates to talk about ideas and reform and change, for someone like me sitting back in Green Bay, Wisconsin, and Newt and I have been to Packer games together, that was intoxicating, and that caused me and

others to get involved. And so what Newt's been talking about is very much at the heart, I think, of modern Republicanism.

Now, I was given a list of questions that I was supposed to ask. Unfortunately, he's already answered every one of them – (laughter) – which has made my job rather uncomfortable and difficult. But I guess what I'd like to do to begin with is really to go to that. I think one of the things that you've been extraordinarily good at over the years is expressing a clear message.

We have 80-plus new members – Republican members of the House of Representatives coming in, and they're in a very formative stage right now. In addition to figuring out where the bathrooms are in Longworth, they're also starting to look out for the kinds of things they should be involved in. In terms of American engagement, what's your message to the new Republicans?

MR. GINGRICH: Well, I think first of all, you want to create a process by which they learn, which is different than creating a process by which you teach them. I would be very cautious about assuming that any of us can develop a really clever set of PowerPoints and therefore we are going to change somebody.

But I would say, on the other hand, I remember when I was a freshman, in '79, '80, under Carter, the Navy was extraordinarily worried about the defense budget. And the chief of naval operations would hold small dinners, and as a freshman, I found myself one night with about 12 other members at dinner with the chief of naval operations. In fact, is who I first met, Tom Foley, who at that time was the chairman of the Agriculture Committee.

So here I am as a very junior Republican at dinner with a very senior Democrat talking about naval power with Adm. Hayward, at the time. And those kind of small events were helpful because I wasn't dealing with the administration lobbyists, he wasn't trying to sell me on a particular ship or a particular vote, but he was saying, let me tell you what I'm worried about.

And I think to the degree that the freshmen have opportunities, whether it's with, for example, Gen. Petraeus, who is a very strong believer in smart power, or for that matter, retired senior officers back home – I mean, people who come by – and I think it's very important to remember that communicating at a constituency level really matters.

I used to give a speech about AIPAC. For a very long time, it was the only institution at a grassroots level that was sustaining foreign aid. And most people who were complaining about aid to Israel had it exactly backwards. Aid to Israel was actually carrying the vote for everything else, because AIPAC was that deeply wired into the communities, people were prepared to call you, come see you, talk to you, nag you, take you on a trip.

And one of the things that Vin and I engaged in was actively arranging trips around the world. So I would say, one of the techniques we used when I was speaker is, we got the president to sign letters to members asking them to go on trips so that – freshmen who arrive and are very cautious about doing all this stuff. Given the current partisan environment, I would say,

you want to have somebody like Gen. Petraeus or Gen. Mattis sign the letters, and in other parts of the world, you want to have combatant commander.

But I think you want to encourage, and you want to work with Speaker Boehner so that every single freshman goes on at least one trip their first year and does so in the national interest, as a working trip, learning about something. They'll come home with a new attitude.

The second thing is, you need to have people who have economic interest in this back home go see them – not the CEO who is in a different state and operates at a different rarified level, but the plant manager or the local workers or people who can come in and say, you know, this is why the world market matters and this is why being engaged in helping countries matter, and this is how it affects jobs here at home. And I think those things can move conversations a long distance.

MR. GREEN: In terms of message, your message to Republicans, why should they be engaged? Why should America be engaged in the world?

MR. GINGRICH: Well, because you have no choice. Franklin Roosevelt said it best when he talked about, if your neighbor's house was on fire, would you loan them a hose to put it out or would you wait until the fire came to your house? I would simply say to people, how many people do you know who traveled last year? How many high-school classes do you know?

I mean, in my case, I have a niece and a nephew who in college traveled widely. You're going to find in every community in America people who travel. How many people in your community come from overseas? As you know, whether it's – in Vin's home state, whether it's the Somalian population, the Hmong population, and you go down a whole list of groups – we are in an international world.

The question is whether we are going to intelligently be in an international world and provide the leadership that moves that world towards safety, prosperity and the rule of law or whether we're going to allow the world to decay into enormous danger and have dictatorships emerge as the defining countries.

And that's where, as a historian, I take people back to the '20s and '30s and say, look. We know what happens when democracies are cowardly timid and avoid responsibility. Is that really a future you're – you want to come back in a decade to a worse planet with greater danger, with a weaker America? Because you have that power. And you always to have to remember to tell them, you have that power. You have been elected under the Constitution, you can vote as stupidly as you want to. (Laughter.)

And we have – and in Valley Forge, we have a fairly grim indictment. When Washington has to retreat north of Philadelphia, which was the biggest city in the country and the capitol at that time, he crosses a ridge into a valley which has an iron forger – this is why it's called Valley Forge.

Supposedly, the Continental Congress, which had retreated all the way to York, Pennsylvania, was going to have supplies there. When they crossed, 14,000 men, at the beginning of winter, enter this valley with two axes – one axe per 7,000. (Laughter.) And they're supposed to build their own cabins, find food and survive the winter. And the Continental Congress is just totally feckless.

And I just suggest to members of Congress, you can repudiate 65 years of leadership and decide to be genuinely stupid – that's your constitutional right. But then you're going to have to pay the consequence of the world that's going to create.

MR. GREEN: Well said. I'd just say, this is supposed to be audience participation, so if folks have questions, I know we have microphones here. I see a question – get a microphone back there. Yes, ma'am.

Q: Good morning. I'm delighted to be here. My name is Susana Florian, I work for Parsons. I'd be very intrigued to hear you comment on Turkey, Israel, our attitudes and the relationships, how they are changing. There is a view that Turkey has been making some moves away from us and more towards Muslims. Also, it appears that the United States has a difference attitude towards Israel than under previous administrations, and unfortunately, not in a very positive way. Thank you.

MR. GINGRICH: Sure. Well, I mean, I think it's pretty clear that when you think in grand strategies and you think in smart power, one of your conclusions out of the last nine years has to be that we have greatly underestimated the intensity of the rise of a much more fundamental Islamic behavior. And that in Turkey, for example, that rise has led to enormous tension in the society and in many ways, the first really significant retreats from the secularization of Ataturk and the model which the Turks have been working on, now, since the 1920s.

And there's no question that the Turkish government today is less pro-Western and less pro-Israeli than it would have been 10 years ago, and that the underlying political system has enormous pressures in both directions.

Again, that goes back to – I carry – I think the most important slogan for governing the next 25 years is, two plus two equals four. This is a bumper sticker we produced in American Solutions, and we actually got this from making a movie about Pope John Paul II, because during the struggle with the Soviets, the Poles were putting signs in their store windows that said, for Poland to remain Poland, two plus two must always equal four.

And the reason I think it's useful, Camus wrote in "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. If you look at the effort to break the blockade by the Turkish flotilla, it was, in effect, an act of war. That wasn't humanitarian. Many of you might disagree – since I'm here as your guest, I'm going to give you my version.

The fact that Israel exists in this weird state where it's not at peace and it's not at war, so it can't do the things you do at war and get away with it and you can't do the things that you would do in peace and get away with it, and so they're caught in this middle zone.

And in some ways, I think it's the worst of all – and in the long run, it's very dangerous for Israel. If they would truly say, we're at war with Hamas, they would destroy Hamas. It would take six weeks. They would annihilate it. The world would be shocked and horrified. They would unearth 10 (thousand), 15 (thousand), 20,000 missiles.

Now, that's the people to whom the Turks were sending a flotilla designed, and methodically, for the purpose of humiliating and isolating Israel. And to pretend that it was anything else is, in effect, giving aid and comfort to people who have a very clear, simple goal: the annihilation of Israel. It's not complicated. Hamas makes no – is not confused. Iran is not confused. Ahmadinejad is not confused. This is not a problem of communications.

And so I think it's a very real problem, and I think the administration, frankly, is confused, because it wishes the world were different and it keeps describing the world as though it were different, and then it's frustrated because the world doesn't work that way.

MR. GREEN: Yes, sir.

Q: Chairman Gingrich – I should have said, Speaker Gingrich, one of your excellent proposals is, in order to maximize diplomatic smart power and minimize the primary of military power, that state and defense would plan their budgets in unison. Excellent idea, but given the bureaucratic entrenchment of both and the setup of the committees on the Hill, what tactics would you suggest as starters that might be employed to get that going?

MR. GINGRICH: I'd suggest a presidential directive that says to the secretary of defense and state, you will plan your budget together. (Laughter.)

Q: Okay, all right, all right, good.

MR. GINGRICH: Okay? I mean, you guys didn't actually point out, I was very fortunate, and I – after 20 years on the Hill, when I stepped down, Bill Clinton was very generous and appointed me to the Hart-Rudman Commission that he and I had developed together. And I spent three years on a bipartisan group inside the system, looking at the totality – intelligence, state, defense, White House.

Then, when the Bush administration came in, I had a lot of old friends – Rumsfeld, Cheney, Wolfowitz, Rice, Tenet – the 9/11 Commission pointed out that the only plus-up in intelligence in the 1990s they called the “Gingrich Plus-up”, which is over a billion dollars, which made Tenet my permanent friend.

And so I was allowed – in the Bush years, I really spent from 2001 through 2005 totally inside the system, and had – at one point, in December of '04, I took 53 hours of briefings on

Iraq and the global “war on terror”, because it was clearly a mess. And I just blocked in the month and went wandering around the various agencies.

That was really helpful to me as a former legislator, because the thing that was shocking to me was, getting yes out of the principal was irrelevant. It was a necessary precondition to starting the process of getting to yes. And then you would then go down through layer after layer, and even if you could yes out of the GS-13, who actually had the ability to do something, then they would run into all the procedures we’ve no invented.

And they would say, yes, because this is a decisive-action item, I think we can probably work it through all the paperwork in no more than six months. Now, we fought the entire Second World War in 44 months. From December 7<sup>th</sup>, 1941 to the surrender of Japan in August of ’45, it’s 44 months. It took 23 years to add a fifth runway to the Atlanta Airport. (Laughter.) I mean, let’s go down these things.

I got in a fight at one point over intelligence in Iraq, and how do you move enough people? Because they had clearly understaffed the intelligence function. And if was just painful, because you’d have guys, well, he’s got to go to the War College this year. And you can’t really expect him to go to the war, because that would mess up his career track. And this is the kind of stuff where World War II people would have just said, are you nuts?

True story: 1941, before Pearl Harbor, Marshall assigns a senior general who’s a good friend of his to move to a new assignment and gets a phone call that morning. And the general says, you know, I’d really like to wait 30 days to move, because my wife is doing something, and she would really be more comfortable, and George, you know, we’re old friends.

And Marshall says, I understand exactly what your concerns are, and I really sympathize with your concerns, and that’s why I am retiring you at noon today, so you can focus on the things that are your concerns, because I need people who are focused on winning a war. And he did this – he retired, I think it was, 54 generals and colonels before Pearl Harbor.

So I think at some point down the road, we’ll get mad enough and we’ll get serious enough, and we’ll say to the great bureaucracies and we’ll say to the Congress – I mean, the president could instruct – he’d be glad to have hearings in front of any appropriations subcommittee that has a hearing on both the defense budget and the state budget, and he’d be glad to send up both exec cabinet officers to have the hearing on both.

MR. GREEN: And maybe, just to flesh out those points a little more, I think one of the things that I’ve found most encouraging in the last couple of years are the number of military leaders – certainly retired, but current military leaders – who are advocating for smart power and for robust funding for the international-affairs account. Does that surprise you?

MR. GINGRICH: No. I mean, it was very clear to me – because I had taught Capstone and the Joint War-fighting course for so many years, it was virtually impossible to have gotten to be a two-star officer without having spent some time together. And I knew in ’02 and ’03 how inadequately the civilian components were functioning and how much the military was terrified,

at two levels: one, that you couldn't get the things done that you needed to get done to have a chance to win and two, that they were going to end up with everything.

Talk about being overstretched, they were now going to become the aid agency and they were going to become the infrastructure agency and they were going to become – and I'll give you an example: I was asked to come in – I think it was in January of '05 – and the joint chiefs had sent a team over to spend several weeks reviewing Iraq. And Rumsfeld asked me to take the briefing before they briefed him.

And we walked through this overview briefing, and the summary was, the really two great problems are electricity and jobs, and here's security. And I listened to them and I took notes, and I said, okay, so what are your recommendations? They said, well, all of our recommendations are on security, because that's what we do.

And I said, wait, let's back up to the very beginning, okay? (Laughter.) Your analysis is that the country's not going to get stable until it has electricity and jobs. They go, right, you got it exactly. And you're not going to make any recommendations on electricity and jobs because it's not your lane. So how are you going to win the war? They said, well – (inaudible) – win the war, but this is what we do. (Laughter.) And that's what you get into on both sides.

I'll also say, by the way, on behalf of why this is so frustrating, somebody at State, when I was trying to drive metrics into the system as a way of thinking based on what Giuliani had done with crime in New York and a number of other places where I had been studying metrics, and somebody at State said explicitly in one conversation, we don't do metrics. (Laughter.) We're not going to do metrics. That sounds like it's those military guys, and I didn't join this place to be like them.

And so that's part of why – and then the military is saying, I've got to have a partner who has the resources and the culture to actually fill up these boxes of need, or I'm going – I'm either going to lose or I'm going to get drawn into filling them out of my own resources. And I'm not prepared for it, it's not what I do well, and it's not what I think I should be assigned to.

MR. GREEN: Question over there.

Q: Good morning. Anne Richard from the International Rescue Committee. I think this is a very useful conversation for us who are trying to figure out how to approach the new Congress to talk about the these issues, and it's clear to me that you've endorsed this theme of smart power, and I think you've also given us some very good tips in talking about the security and the economic aspects of the international-affairs budget in the broader U.S. international engagement. What about the humanitarian peace, the relief-and-development peace?

You mentioned it just briefly before you moved on. And really, Secretary Gates talks about the need for the civilian peace. It's not just, I think, the electricity grid that has to be put back, but just in terms of people not being able to read and write in some of the countries in which we're working, like Afghanistan and Sudan. We are trying so hard to get literacy rates up



and literacy rates up among girls, so how do we approach the importance of that to new members of Congress who perhaps haven't given it a lot of thought before?

MR. GINGRICH: Well, let me draw a distinction, because you were using terms that didn't lead me to education. I do think there is a humanitarian-relief function on the planet, and I think that for a variety of reasons, whether it's a Darfur or it's a Rwanda immediately after the genocide, there are times and places – or whether it's a tsunami – there are times and places when you need genuine relief.

And unfortunately, because of the ineffectiveness of the international system, there are places like Darfur where that can go on for a very long time, much longer than it should have.

Then there is the whole question of, how do you build human capital? And I would think of this more in terms of, how do you build human capital then doing relief. I mean, I have thought and have advocated since 2002, late 2001, that educating and liberating women is frankly a major part of our – and this goes back to the idea of having a grand strategy. A major part of our grand strategic initiative against the radical wing of Islam ought to be the education and liberation of women, because it strikes at the very heart of their system.

It is utterly, totally incompatible with the world they intend to create, and it's one in which you can win most of the planet's support, so that in Western Europe or in China or in South America, it's relatively easy to defend educating women and relatively hard to defend honor killing or the deliberate suppression of females. And so I do think – but I would explain that in part as part of this overarching grand strategy that we have to have to figure out how you're going to win this war.

I mean, we have not taken seriously enough – if our opponents had not been technically incompetent, we would have had a big airplane blow up over Detroit in a deliberate act designed to maximize damage in the neighborhoods on Christmas Day, and we would have had a car bomb go off in Times Square designed to maximize killing hundreds and wounding thousands, by a person, by the way, who has said publicly, he hoped to build the second one within two weeks.

I mean, we are living in a fools' paradise where we are wandering around thinking, well, nothing bad has happened since 9/11 in the U.S., so things must be all right. Well, I think that we are living on borrowed time, and I think part of this has to be saying to people, we need a grand strategy of getting to a civilized, rule-of-law, prosperous planet, because that's the best antidote to extremism. And a key part of that is the investment in human capital that you represent, which, again, I don't know what the right language is.

I don't think of that as a relief function. I think of that as an investment in a better world and an investment in human beings, and it is absolutely central to our ability to operate on the planet. And I would argue, both in Iraq and in Afghanistan and in Mexico, where there's a terrible problem right now, and in Pan Colombia and the work that was done, which I strongly supported when I was speaker. I'm actually meeting with President Uribe later on today.

It's very important for us to understand the human sides of these things, which are not kinetic power, to use the military term, and they're not even infrastructure. But they're getting people into modernity, and that role I think you can explain in a way that will be very strongly supported.

MR. GREEN: Let's go back over here to the left.

Q: I'm Daniel Walfield, I'm a graduate student at the George Washington University, and I'd like to ask what we should do about the U.S.'s declining economic place in the world, as measured by things like our deteriorating infrastructure and education.

MR. GINGRICH: I founded American Solutions largely in the belief that the Republican Party had lost its ability to generate a scale of reform large enough to meet the modern world. I was talking about earlier, it was the whitewater that we now find ourselves on. And one of my fundamental disagreements with the president is, his current desire is to convince China and Germany to slow down to the pace we're comfortable with when he actually should be educating America on how we're going to accelerate to be able to rival India, China and Germany.

And Germany's an important component of this because it's a very high-cost country. I mean, this is not a cheap-labor problem. The Germans are extraordinarily good at exporting and have designed their entire economy around manufacturing in a way that is the opposite of what we've done for 30 years.

What I discovered was, if you benchmark China and India – they're the players that matter. If you benchmark China and India, and remember that Volvo is now a Chinese company and Jaguar is now an Indian company – just useful symbols of how much the world is changing. You discover there are seven areas you have to fundamentally reform.

So this will be a major national debate over the next 10 years, because you have to reform litigation, regulation, taxation, education, health, energy and infrastructure. And a large part of it is reforming. It's not more money or less money, it's doing things fundamentally differently. IBM was part of – and some of the other companies who are here may have been part of this – there was a technology review of the federal government recently which proposed taking all the lessons of modern corporate management on a global basis and applying them to the federal government.

And the estimate was, they would save a trillion dollars over a decade. That's one of the things that the deficit commission didn't look at. And a lot of it is just doing things smarter, because Walmart is not a company which got radically lower cost by buying an old Kmart or somebody else and reducing a third of the stores. Walmart is a fundamentally different design, optimizing logistics efficiency in a way that made it almost impossible to compete with.

And if you look at how they did it and you look at how much – their number one job every morning is to take cost out. Well, we don't think like that, and we're going to have to learn to think like that. And I think that we're going to have to learn to say, so, under what tax

code would you put the next factory in the U.S.? Under what regulatory system would you put the next factory in the U.S.?

And you asked the right question. If we do not solve our economic challenge, we will not be the leading country in the world in 30 to 50 years. And you cannot sustain national security if you don't have the leading science, technology and manufacturing base. And again, none of us have fully appreciated yet how close to the edge we are of having the Chinese capable of doing things we don't understand, because we have so underinvested in the forms of yesterday.

And it's not just money. It's fundamental reform, requiring schools, for example, to work or be closed, because you can't afford to destroy the kids' lives by allowing them to be trapped in buildings that successfully pay people for not achieving.

MR. GREEN: Let's see if we can squeeze in another question. Yes, sir.

Q: Rick Heel (ph) with RTI International. Speaker Gingrich, you said a couple of things that are very interesting and important to those of us who do development. The first was that Haiti was really development failure, and we needed to be much more tough minded. So I'd like to ask you to tell us what that means. What do we need to do to be more tough-minded?

And then you also ask – or you said that we need – basically, we need to move the world into modernity, and you spoke to that a minute ago when you commented on education. But what are the most important – in your eyes, what are the most important tactics for moving the world into modernity that the development – that we can do via development?

MR. GINGRICH: Those are – and you said we had time for one last question. (Laughter.) Those are parallel but slightly different, because when I answer the modernity, it helps you understand Haiti better. I think the three things – there are four things that you want to figure out how to focus on to get to modernity. The first is the rule of law, and that means we have to come to grips with having very tough-minded relationships. I mean, Zimbabwe is a good example.

We have not figured out a grand strategy to stop a kleptocratic dictator from driving a country in ways that had made it an extraordinary disaster for human beings. So the first ground rule is the rule of law. If you don't have the rule of law, you're not going to get modernity, because people aren't going to invest and people aren't going to keep their money there. And it's all – even if you give them the money, it's all going to leave to go somewhere where it's safe, because nobody will trust the government.

Okay, the second is, you have to think of micro-policies, not macro-policies, and this is a great failure of the American elites right now. You go out and ask people why we don't have job creation – and this is where Bernanke is just plain wrong in his expansion. It's not a lack of capital. American corporations have \$2 trillion sitting there. They don't want to invest.

So you have to ask the question of what would unlock \$2 trillion? Well, it turns out it's essentially micro-policies'. It's policies that say, I'll get to keep the money if I make it. I'll get a return on my investment. And that's a huge challenge. Okay, so you want to design – Haiti is a good example.

How do you move Haiti through a cycle where you have a generation of small businesses, some of which become medium-size businesses and a handful of which become big businesses? And if you don't have policies that work at a micro level, you're not going – macro, big, bureaucratic decision-making doesn't, in fact, create the kind of growth creation you want.

The third thing I think you've got to focus on is communications. I mean, I was part of a project which got killed inside the Pentagon at one point – I was part of it in the sense that I was encouraging it – which would have distributed cellphones and radios across all of Afghanistan in 2002 as a deliberate effort to create a communications mechanism to allow young people to break out.

And I was told recently that – because we do work in South Dakota – that one of the things that's happening on the Native American reservations is that the younger kids now all have Facebook. They're now all part of the larger world. I mean, they're breaking out from their parents' world view and they're living in this larger system. They have iPhones. So you have people who are suddenly living – they're in the bigger world.

And then the fourth thing is transportation. The reason – and I really had some trouble with President Bush in 2002, because I gave a very tough speech about Afghanistan. And I said, you know, the number-one criteria is number of miles of road that are built, and if we had sent engineer battalions into Afghanistan to just build roads like crazy in 2002, '3 and '4, it would be a different country today.

So communication, transportation, rules that encourage the development of jobs and capital and the rule of law. Those are the four criteria, and you can apply them directly to Haiti. And then you have to say, okay, so what do you do if you have a local political class that explicitly doesn't want to engage in that? And I think that's where you have a real problem.

And we don't have, today, a very good solution for that, and so we keep putting palliatives on top of the cancer and not realizing that if you don't figure out a new strategy for really bad political classes, then they're not going to develop. They're going to remain miserable. And then, by the way, the people are all going to come here, because you can be wealthy in America almost overnight compared to trying to be wealthy in Haiti.

Q: Thank you.

(Applause.)

GEORGE RUPP: I'm George Rupp, president of the International Rescue Committee, and I'm very pleased with Bill Lane of Caterpillar to the co-president of the USGLC. We've

already thanked Speaker Gingrich with one round of applause, but I ask that you join me again for this really thoughtful, vigorous and provocative set of comments. Thank you. (Applause.)

We are all grateful for the leadership that you are continuing to provide, Mr. Speaker, in working through the process of implementing smart power. We have a long way to go, we know that, but we're delighted that you are joining with us in that venture. On behalf of all of us, I'd like to thank Congressman Vin Weber – (applause) – for the eloquent and really personal introduction and Ambassador Mark Green for moderating our discussion.

Clearly, we have a long way to go in building a consensus across the country for the kind of smart power that you've articulated for us, Mr. Speaker. The good news is that this is a priority even in this most bipartisan era, where we can come together across the aisle to provide leadership for smart power. We are very grateful to you, Mr. Speaker, for your leadership in doing that and we look forward very much to working with you. Thank you for joining us.

(Applause.)

(END)