

**International Republican Institute, US Global Leadership Coalition,
OneAmerica's Leadership in the World – Our Legacy, Our Future**

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Event Transcript

PANEL ONE

Lorne Craner: Ladies and gentlemen, thanks for being here today. I'm Lorne Craner. On behalf of three organizations we welcome you here today. Especially those of you who traveled from abroad to be here with us. We approach from different angles but we all want to leave the world better than we found it on issues of development and national security. We have a stellar group today: members of Congress, former governors, former cabinet members. First I want to introduce a good friend of mine. She's never been in government. Cindy McCain is a mother who raised four children. One son is a Navy pilot. Another is enlisted and in Afghanistan and Iraq. She has a daughter, who's a political commentator. And a daughter she brought home from Bangladesh. That is enough life achievements, but she's also traveled to places like Rwanda, Cambodia to help with medical care and is on the boards of several medical organizations. She likes getting her hands dirty and knows what she's talking about. In the Democratic Republic of the Congo, we sat on the side of a volcano and she described the differences to me between Cuba and Russia. As we all sat to plan this event, we agreed on one thing immediately: we wanted Cindy. All three organizations love and respect her because she's one of us. Please help me welcome Cindy McCain!

Cindy McCain: Thank you very much for having me. I'm deeply humbled to be in the presence of such great minds today. And I'm glad you've all chosen to come here to participate in this special welcome to guests from abroad. And special thanks to the One campaign, US Global Leadership Coalition and International Republican Institute for coming together for two fabulous panels today. The first focuses on the Republican legacy on development issues. In different countries I've had the opportunity to see the legacies helping kids get involved in civil society. In Mozambique we brought clean water to children. In Angola, we brought safety and security through mining and weapons destruction. In Washington the talk focuses on budget numbers, as it should be and we'll hear that today. Decisions we make -- and I know this because I've seen it through their eyes -- the difference between sickness and health. It's a long ride and a slow death. From Haiti to the Sudan, from Cambodia to DRC. The connection between budget number and hope in children's eyes is understood by Josh Bolten.

He's our moderator today. He teaches at Princeton's Woodrow Wilson school. He was White House Chief of Staff under President George W. Bush, and former director of the OMB. Thank you Josh Bolten for all you do and what we will do. And thank you for having me. Welcome.

Panel arrives on stage.

Josh Bolten: Thank you for that generous introduction and the great work you have done. I am privileged to be in such distinguished company. And I thank them for discussing the issues, including the Republican legacy. I'm honored to be on stage with these folks. In the Bush white house I had the opportunity and privilege to work on President Bush's PEPFAR program. I worked on the Millennium Challenge program. All cornerstones of the Bush agenda on Africa in particular. Most Americans know little about it. For those of us in the Bush administration, that's one of the proudest elements of his legacy. That forms the focus of today's discussion. Michael Gerson served in the Bush administration as chief speech writer. He worked with PEPFAR. Tell us a little about the inspiration for those programs and the idea behind them and especially about how this is not your grandfather's Republican party. What changed in the Bush administration?

Michael Gerson: There was a mixed legacy in foreign assistance. I watched outcomes, accountability, results, the details of these issues. These three programs are ad hoc assistance. There was a smattering of demonstration programs. Unified command structure. Unified command matters. Measuring outcomes matters for everyone in the system. So we wanted a certain number of people. We wanted to reduce the incidence of malaria by a certain time in a certain number of countries. There's a moral aspect that requires you to act. That's the situation we face. I think the president's thought was that because it's moral, it's morally important to do it right. We talk about defending systems, that's why this legacy is so important.

Josh Bolten: Tell me about the way these individual programs, including PEPFAR, and the goals it had and about the Millennium Challenge and its design.

Michael Gerson: There was a deep boldness for PEPFAR. There had been debate in whether any treatment should be done at all. Or if people who had disease were beyond hope. Should we focus on prevention? That began to shift before PEPFAR but this accelerated the process dramatically. A few million people are on treatment. When the president announced in 2003 at the State of the Union address, he had a paragraph on announcing PEPFAR, there were 50,000 people on treatment in Zambia. Today there are more than 5 million. PEPFAR, through the global

fund, and the countries themselves are picking up this burden. Treatment was key to so much else. I saw in Africa how it encouraged testing, encouraged people to know their status. There's very little psychological reason to get tested if there's no treatment available. It changed the psychology in the country. Treatment outcomes was the goal of that program. The challenge was informedness, a theory of foreign assistance, willing partnerships who will focus on things that matter most to get serious economic development. And we're willing to put in money, significantly increased money, into countries willing to come up with plans that make sense to do this and structure reforms like rule of law, women's rights, Democratic initiatives. We developed a series of requirements to participate in the program and that was a market-oriented approach that resulted in _____ where countries began to compete with one another for money to make reforms. It was the best type of application of conservative free market ideas the president strongly believed in, strategic investments in people willing to be partners. PMI is just a case that shows sometimes you really need more centralized approaches. Malaria is fought by military campaign to go region by region to distribute medications. We proved that partnering with these countries, it's possible to take back whole regions. Rwanda, which we visited recently, they had over three years with over 70% reduction in infant mortality. It's completely unnecessary. We know how to fight it. And it takes close to one million lives, mainly children under five. It's proof that with the right management approach and resources you can make serious progress.

Josh Bolten: Accountability and results, market principles applied to development for the first time, it was a major change in philosophy. Secretary Condoleezza Rice needs no introduction. She was Secretary of State in the 2nd Bush term, National Security advisor in his first term, and she had a lot to do with these programs. Let's go back farther and ask about conversations earlier with President Bush because I think even sophisticated Washington observers were surprised at President Bush's keen interest in Africa. What did you say to him and how did you do that?

Condoleezza Rice: Anyone who knew President Bush knew you couldn't just say something to him and have him react. He was already there about the importance of America showing compassion. In my first conversations with him early in the campaign about foreign policy, he knew largely through faith-based communities about aid in Africa and if it's possible to do something about AIDS.

Protestor: You cannot be compassionate and kill people! I'm an army colonel. I'm a former U.S. diplomat. I know I will be leaving but I wanted to say my peace.

Protestor is escorted from the venue.

Condoleezza Rice: The good thing about democracy is that people do get to say their peace.

Applause.

Condoleezza Rice: Now back to our story.

Applause.

Condoleezza Rice: Thank you. President Bush was asked what will America do about the _____ and he talked about the most heavily indebted countries in that first debate. He was very interested in these issues. But it had to be done differently. We knew foreign assistance hadn't been effective. Congress could attest we were losing consensus about the importance of foreign assistance. Both sides of the aisle, particularly conservatives. It's important to have not just the argument about compassion, but also the effectiveness and what it could mean in terms of our own security, as well. After 9/11 we recognized the most devastating attack to the U.S. had come from a failed state, Afghanistan, that didn't control its borders.

Protestor: The blood of Iraqi children is on your hands! 9/11 was an excuse to go to war. You should be held accountable. My generation soldiers are dying. 18,000 veterans are committing suicide and suffering from post traumatic stress disease. You've killed hundreds of thousands of Iraqi civilians. You know this. You are better than this.

Protestor is escorted from the venue.

Josh Bolten: There will be an opportunity later for questions.

Applause.

Condoleezza Rice: So America is safer if there are countries that can take care of their own people, with responsible sovereignty, places that can fight disease and poverty. We too will be safer. So there's a national security argument to be made too. And the national security argument you made for people living in freedom, they are now in places like Iraq ...

Applause.

Josh Bolten: Connie Newman served in more government positions than I can name. She was the Director of the U.S. Office of Personnel Management in the Bush administration, and now serves as Assistant Secretary of State for Africa and Assistant Administrator for USAID, with distinguished service in all those roles. She's now with The Carmen Group. Tell us

about the economic development aspect. Michael Gerson is focused on the moral aspect. Condoleezza Rice on national security. What were the economic issues involved in its creation?

Connie Newman: It's clear these countries have more money for their issues as a result of the program. There was an increase from \$1.4 billion to \$6 billion solely for Africa. The best way to talk about this is to give an example of one of the countries that benefitted from the challenge: Ghana. Between 2010 and 2011 the increase of 13.5% and that same period there was a 20% increase in export between Ghana and the U.S. 18% import. Here we have a country that was one of the compact countries, the Millennium Challenge countries, that had not the most serious HIV AIDS, but had it as a concern. A country that matched the test of the Millennium Challenge. It did insist on investing in its people. It took seriously the economic review of procedures. Ghana now is a serious trading partner with the U.S. It's a great partnership for us to ensure security around the world. Ghana has one of the strongest military. A peacekeeper and has been. In over 30 countries. It has gone through a transition of the president and taking over with the vice president the normal procedures. What is the impact of these programs? That they're stable. It's making them stable, helping them address the serious problems. From our point of view, they're good partnerships. Good trading partnerships in ensuring there's security around the world, and they're also friends of ours in international arena. They vote with the U.S. on issues of great concerns about the security of the world.

Josh Bolten: Kay Granger from Ft. Worth is serving her 12th term in Congress. She's Chair of the State Foreign Appropriations Subcommittee, a crucial role, a terrific champion of these programs. The last time we saw each other was early this year. We intersected in Ghana. Looking at some NCC programs, a malaria program. Tell us about what you saw, your impressions about the programs.

Kay Granger: They are working on the ground, the programs. Thank you to those who put this together. It's important. Part of my job is to maintain that and build on it. And Ghana, the quality of life, infrastructure of leadership is so obvious. It's partnerships. Instead of saying we give you money, the NCC said how can you have accountability. We'll take these steps, you take these steps. And it's effective. Outcomes, results, absolutely. That's why it's got bipartisan support. It's our job to tell that story so we don't change the original goal of results and outcome, then we can explain it to audiences like this and audiences who don't believe in it.

Josh Bolten: We're here at the Republican convention with the touchstone of this campaign and the Republican party is fiscal responsibility. We can't be spending as much money as we have been. What's the political

environment to continue funding programs like PEPFAR and NCC and what are the arguments that you make to your colleagues, many of whom would like to have a foreign assistance scalp to take to the voters?

Kay Granger: It's a different environment, you're right. Part of our responsibility in Congress is to educate and explain and build, so I speak to a lot of audiences. I'll ask what percentage of our spending they think goes to foreign spending. They think 20-30%. It's 1%. It still means you have to use every dollar effectively. But also part of it is talking sustainability and being able to say yes we support these programs and yes they are humanitarian, but we also have to work with the infrastructure of the countries to help now and then they will take over. Sustainability is extremely important. NCC, if they don't come up, we'll have to say you didn't keep your part of the bargain. We've cut spending each year. But more importantly to cuts, is it effective? Do we have other programs? Can we show results? Payback? For our national security you have to look at the costs of instability when we have to come in after, whether it's national disaster or military. How can we help you provide stability in your country to keep you safe. We have to talk about education.

Josh Bolten: Condoleezza Rice, you declined to enter the political arena. You've developed a legendary status in foreign policy. And the golf circles. You're in politics now. You're at the convention. A celebrity. You have a big speaking role tonight. You have an opportunity to address this issue politically with the Republican party that is skeptical about spending money on this. What are your best arguments and directed to whom?

Condoleezza Rice: They're directed first to the American people and their sense of what's right. No one wants to see an AIDS orphan whose parents could have been saved. A woman trafficked in slavery. A girl in Afghanistan not being educated. Americans have a sense of what's right in the world. And they have to know we can do something about this. The arguments about effectiveness come in here. Accountability. Americans also want to know it's to our greater benefit. The security for Africa is spot on. We talk in the U.S. about welfare not being a permanent status in life. We'd like foreign assistance not to be either. We use it to strengthen economy, educate population, they'll become contributors to the international community. Not permanently on the dole. But it should be a way to make more responsible sovereigns. Those arguments in the context of knowing after 9/11 the fate of the U.S. and the poorest countries, this is a 1% that is well spent. Let's be sure we don't cede the field to others. One other argument: China has a lot of internal problems. But if you look at one place they compete hard it's resources throughout the developing world. Foreign assistance is not helping those countries become responsible sovereigns. Europe. World Bank. Japan. We need countries that want to invest in their people. Be recipients of foreign assistance. With China, that's not the issue. It's

“let me have your resources and I will fund this even if you are a corrupt government.” We do have a competitor on that front and that’s an argument I think ought to be made.

Josh Bolten: Connie, that China question. What is your perspective about China and our competition with them?

Connie Newman: I just came back from Shanghai Institute. Talking about their policies in Africa. They talk about it differently. They agree that their aid is without condition, except the recognition of Taiwan. That’s the only condition they place on their money. But they say they are not in Africa solely for resources. And they are in almost every country but they are seeking _____. They are there for their own interests, but the one thing that might be changing is they’re finding that without some conditions, some checks on the resources going in, they don’t get back what they expect. So they are saying no conditions but are giving strong suggestions.

(laughter)

Connie Newman: We need to watch this. African leaders jumped in, they were anxious to get fast money without conditions. Now they’re reading the fine print and seeing what they’ve given away, too much. Now talking at AU about coming up with strategy on the continent about dealing with that.

Condoleezza Rice: I was glad that you went to Shanghai about this. I think they will find they won't get it back. But one condition they won't set is governing democratically. We want to see economic assistance, but also a more democratic world. The U.S., Europe and others.

Josh Bolten: Kay Granger, are your colleagues concerned about USC being influenced?

Kay Granger: They’re aware of it. So many came into Congress running in campaigns about stopping spending. We have to get through that hurdle. Spending vs. investment. Our national security. In those conversations you present our bill the last two years, I talk about our national security and the importance of us being there, whether it’s Africa, the Middle East, but we need conditions. China, we were writing bills, funding for Egypt not knowing who we were working with. We need a crystal ball saying if things should change, here’s how we can react to that. It’s not only spinning, but the whole world is changing significantly.

Josh Bolten: Michael Gerson, step back, the agenda that was part of the original Bush legacy was referred to as part of compassionate conservatism. You were a key assistant to President Bush in articulating that but also in forming and implementing that philosophy. Is that it?

Michael Gerson: Ron Paul is on his last leg there. Compassionate conservatism was simple in a certain way. Taking conserve free market ideas and applying them to helping people in innovative ways. The social justice element, common good, using methods that were market and outcome oriented. We applied it on domestic issues, where a key element was always that the role of government might be different sometimes. Sometimes it's not to provide services. But to encourage the provision of services by religious and community institutions and others with a vast competence in meeting human need. That was part of the theory. How can government catalyze efforts of community and private institutions to solving problems. Foreign assistance is one of the best, most consistent evidence of this approach. People don't realize much of our money provided goes to private institutions, indigenous institutions whether in Africa, local, but also American NGOs that have a lot of confidence with refugee issues, health issues. That's a model, pre-existing to the Bush administration. The way things are often done in foreign assistance. That's a legacy that the Bush administration contributed to but it's bipartisan foreign policy legacy. On the international side where it's less controversial than in American policy. That's a good case for Republicans. And the reason on the One campaign, a nonpartisan group but one of the backbones of support for these efforts around the world. From left to right. Who understands that we need to play this role in the world and we do it in a certain way that's consistent with compassionate conservatism. Compassionate people to do extraordinary work in the world. That has a consistent, persistent appeal in the Republican party and beyond.

Josh Bolten: How about the branding of compassionate conservatism. Is that dead?

Kay Granger: No. The U.S. has always been a compassionate nation. We should never forget or lose that. When we appeal to that, one of the ways we had so much influence on the number of people providing funds, the difference is what evolved because of our participation. The woman delivering a child who has AIDS, it's 98% effective. Who would say we shouldn't do that? We should let those women have children that are HIV positive? It may not be compassionate conservatism, but who we are as Americans.

Josh Bolten: Do you ever say that to your colleagues, we can prevent that? What does each intervention cost, \$20-\$30?

Kay Granger: Not even that. When they say we shouldn't assist other nations, I say what do you do about Mexico, our neighbor? And for every dollar we participate they match with 12. Don't you want your neighbors to be safe and economically healthy? If I get through that barrier you can take the next step with women and children and saving lives.

Josh Bolten: Compassionate conservatism?

Condoleezza Rice: America is a compassion country. We are conservative. I see nothing wrong with the phrase. But if people want to call it something different, I'm fine with that as long as we continue to be a country that believes in it. Some of the best work, clearly all the work, Connie Newman will know from her work, couldn't be done without the allegiance of civil society, religious faith-based groups that are the arms of compassion. If the government can partner with citizens who want to do that work, why wouldn't we?

Josh Bolten: Michael Gerson, you've crafted some of those phrases. Maybe even compassionate conservatism. Other phrases?

Michael Gerson: I agree, I'm on there too, but for conservatives in particular, some is just American leadership. It's moral leadership. Foreign policy leadership. It's consistent. President Bush made remarkable contributions. But it's consistent with Reagan's policy. We have to stand for certain ideals and values and be strong in the world. That's an enduring appeal that doesn't depend on how you phrase it. It's whether America will be a leader or not. I make the moral argument on this, but we saw some regions and failed states had the worst problems: human trafficking, drug trafficking, pandemics, refugee flows, issue after issue. I think it's important to make the case that this is about an altruistic add on to American foreign policy. It reflects American values. It's an issue where our value and interests coincide pretty much perfectly. You can make that case, appeal to both parties, all backgrounds, it's a refuge and respite from the pettiness of politics. It's a hopeful, uniting thing. And a message that when members of Congress know how to carry the message it's a win.

Josh Bolten: Beautifully stated as always. I like American leadership. That's a message that will resonate well in the Republican party. And it's at the core of what we're talking about here. Condoleezza Rice, I assume you'll talk about that tonight. Can you give us a preview?

Condoleezza Rice: I will talk about these issues, foreign assistance to compassion. It is about leadership. The importance of democracy and freedom rhetoric, but if we can't make a difference in people's lives it's hard to maintain leadership on those issues. I remember well how we talked about Chavez in Venezuela. He said why is it Chavez has a social justice mission? Who has appropriated the idea of social justice as his own? He's a horrible dictator but says we'll bring you education and food. People with the least favorable circumstances in the world of course want

to be free. But you can be free and prosperous and America will help you be, that's the strongest place.

Applause.

Josh Bolten: We've come the end of our hour. I want to give the last word to Kay Granger, who's actually on the front lines of this fight every day. With occasional breaks here and there for district court appearances. You have to, in a difficult fiscal and political environment, carry the rationale for these programs. Close us out today by saying a word about those outside or on the periphery of today's process?

Kay Granger: Be knowledgeable. Many people would, if they have the information, will say yes, I'll be there. We talk about leadership. It's so important. Courage also. And I say George Bush was courageous taking the funding for malaria and HIV AIDS. That's leadership and courage and today we all have to be courageous and demand that America be what America's been and that's the greatest country on the earth. And we're both compassionate, responsible, and can make that but have to be proud of what we've done and I'm proud of the programs that many in this room helped develop. We need to keep those and remind people that we make a difference.

Josh Bolten: Please join me in thanking the panelists.

Applause.

PANEL TWO

Bill Lane: I'm with the US Global Leadership Coalition. I work for Caterpillar. About the US Global Leadership Coalition and why it's so important for American business and American job creation: This is a group that befuddles most. It's a coalition of 400. 150 businesses, 250 engineer and faith-based organizations. In recent years we added 110 leaders of U.S. military all are three and four star generals. It's a coalition that believes in the importance of smart power. That practices what we all believe; we should not preach, but how government should act. It's bipartisan. Sustained. And gets results. Our leaders and advisors committee includes Rice, Kissinger, George Shultz, Jeb Bush. We have activities in all 50 states. It's a terrific coalition. In these programs, you want to take away something you didn't know. I urge you to go to the US Global Leadership Coalition website. You want to know about this organization and be involved in it. Why does Caterpillar care about foreign assistance? We've always believed in trade, not aid. If there's malaria all the trade won't have economic growth. When I started in 1975 we exported about half to rich, oil-producing countries: Europe, Japan. Much of the world was off limits

because of the cold war. Today we export far more than half what we make in the U.S.. Now half of what we export are in developing countries. How does that collate with assistance? One great example of our generation: Plan Colombia. It was on the verge of being a narcotics, failed state. On a bipartisan basis, Clinton and speaker of house Dennis Hastert pulled together Plan Colombia. Bipartisan. Sustained, robust. It included civil society, improving military. Now we have a thriving democracy. A country that's our closest ally in Latin America. Two phenomenal presidents. For Caterpillar, one of our top 10 export markets is Colombia. Chile too. The importance of economies we weren't paying attention to before are now resulting in more U.S. employment and getting results. I have the honor to introduce the Director of the US Global Leadership Coalition, Mark Green. The speaker has put me on a health commission to look at foreign aid. We traveled to places you never go to: Haiti in the middle of the summer. Everywhere we went in Africa, two things stuck out: President Bush was more popular in northern Uganda than in Houston. People in Africa knew what was going on. He may not have gotten one vote for his legacy in foreign assistance. And he put some great people in various spots. You often think in terms of foreign service, you think ambassadors. Wherever we went in Africa, we heard about the young Congressman, Mark Green, who was from Green Bay. Don't hold that against him. He made it a point when they named him ambassador to Tanzania to make a difference and he did. One of my rules as a representative from Caterpillar, I don't have to know all Congress people. I need to know 10 people who will be important in 10 years. Our next speaker will be important. He'll make a difference in the developing world. I introduce Ambassador Mark Green.

Mark Green: Thank you for those kind words. Good afternoon everyone. We have a tough task. Living up to Bill's billing and kind introduction and following the remarkable panel we just heard. As you heard, the Republican party has a remarkable legacy in development and diplomacy. More efficient, transparent, results-oriented. They have wielded those tools to lift lives and build communities. PEPFAR has changed the course of history. Changed the way we do development. That's the precursor to what lies ahead. What brings us to this moment. The question here in Tampa is "what's next?" What exciting new chapter will we see the Romney administration take on in diplomacy and development? They've embraced American exceptionalism. How will they use development and diplomacy, for what purposes and for what outcomes? I introduce our panel of experts to you, insiders who can tell us that. Rich Williamson currently serves as Senior Advisor for Foreign Policy in the Romney campaign, and a wide range of diplomatic posts including Ambassador to Human Relations, Special Envoy to Sudan. Kelly Ayotte is a junior United States Senator from New Hampshire and serves on the Small Business and Entrepreneurship Committee. She's become one of the most powerful

and effective advocates of all tools of power. She argues we need all the tools to be a force for good in this world to be safe and secure. Tim Pawlenty will join us shortly, who serves as National Co-Chair for the Romney campaign. He ran trade delegations to China, India, the Czech Republic, and Israel. He's been active with Kosovo, Iraq, and Afghanistan. Paula Dobriansky formerly served as Undersecretary of State for President Bush's administration responsible for issues like democracy, human rights, and she's a visiting professor at U.S. Naval Academy. Mitchell Reiss is Special Advisor on Foreign Policy to the Romney campaign. He served as Secretary Powell's Director of Policy Planning, Peace Accord, National Security Advisory. He's president of Washington College. KT McFarland, our moderator, is now Fox News' National Security Analyst. She's got extensive knowledge and expertise in foreign affairs, served under three presidents: Reagan, Nixon, Ford, and Kissinger staff. In 1985 she received the Department of Defense's highest civilian honor. Join me in welcome our distinguished panel. You're about to hear what's next.

Panelists enter stage.

KT McFarland: I'm KT McFarland. How many watch Fox News? I'm the brunette.

Applause.

KT McFarland: It's hot in here. Most of you men are conservative and keep your jackets on. You don't have to. I give you permission to take off your jackets and loosen your tie. This is a convention. We're supposed to pay attention to the economy and jobs. The RNC and these groups, what have they done? They found a building away from the action, brought us in, it's hot and they turned out the lights. We're talking about foreign policy in the dark. We are waiting for Tim Pawlenty. We have Governor Wells who just walked in, a Mitt Romney mentor.

Applause.

KT McFarland: We have seen in the previous panel about legacy in foreign policy. Republican. We'll discuss the future of Republican foreign policy and Romney, but also take questions. We're not doing it by shouting. But by Tweeting. Go to #GOPFP. Send your questions in and someone will hand them to me. We're the Republican party and the Twitter generation. As a president comes in, whatever he says in the campaign trail isn't what foreign policy he has. Issues make a president. It will be difficult for us to jump to what Romney's foreign policy will look like, but these people will be delivering that policy. We are not talking about the military stuff, the defense budget, unless it comes into conversation. General Petraeus has

told me America's not gonna get into another land war in the Middle East. We're moving in a different way to project American foreign policy. We'll talk about smart power. Soft plus hard powers. And economic power. Economic competitiveness and how a Romney administration will use that as focal point about foreign policy. And the notion of American exceptionalism and America's role in the world. We'll address those issues. I'll give each panelist a question and then we'll have other questions and we'll take audience questions. I am a mother of five. I've had a great career in government. We went to cold war and I retired. I know how to take comments, interruptions, criticisms. We've asked the panelists to jump in however they like. Let's start out with Mitchell Reiss. You have had a long career in government in various administrations. You were Director of Political Military Affairs in the Bush administration. Some of the most unqualified successes people say were horrific, like Millennium Challenge, AIDS eradication in Africa. Now we're in rough economic times. With talks of cutting the budget, what happens to those budgets in a potential Romney administration?

Mitchell Reiss: Thank you and thanks to the hosts for inviting me today. As KT McFarland said, I did work in the Bush administration, both of them actually, and one thing we tried to do was use the full array of foreign policy instruments. Military power is important, it's the bedrock on our influence in the world, but not often the best instrument to use. President Bush, to his credit, doesn't receive enough for it. He launched the President's Emergency Campaign for AIDS relief, which affected many, all for the good. Combined with economic policy, the one big challenge was accountability. They just want giveaways, with the corruption that might entail. We elevated the dollars given to force these countries to revise how they did business. Regulatory framework, transparency. Part of that was even more successful than we realized. As much development aid we could deliver, and it's important because it's consistent with our American values to help others, the Millennium Challenge corporation told the private sector to tell organizations they could invest in these countries. That wasn't always the case in Africa. PEPFAR and economic development aid, leveraging was a successful formula and should be continued in the Romney administration.

KT McFarland: So you won't cut the budgets in a Romney administration?

Mitchell Reiss: The various departments propose and the OMB disposes with Congressional oversight. I want to emphasize that this was a winning formula and hasn't received enough credit.

Paula Dobriansky: I think it was and is a sign that the program did set forth a new model. The fact that countries that engaged in this came with up the ideas of the proposals. They knew first hand whether in Latin America or

Africa, they knew what kind of proposals would be the ones their economies could grow. And by investing moneys with private sector you also got sustainability. The number of programs countries put out there are successful and sustainable because we didn't choose them, they did.

KT McFarland: To Rich, you said hard power is great, but needs to be partnered with soft power.

Rich Williamson: I need to acknowledge some counterparts here. Frank Fahrenkopf, former Chairman of the RNC, and my dear friend ___ Colbe an expert bar none on foreign assistance issues. And Connie Newman. I am uncomfortable with Professor Nye's delineation between hard and soft power.

KT McFarland: Who is he?

Rich Williamson: He, unfortunately, served in the Clinton administration.

KT McFarland: The Harvard guy.

Rich Williamson: Unsuccessful in Obama's camp, but wrote books about hard power, soft power. The divisions aren't that simple. There's a blend. Governor Romney has made clear a handful of principles. One is a deep belief in American exceptionalism, including the values on which we were founded. That America should lead not from behind but from the front. That means leading using the full box of foreign policy tools. And they range from fruits on the ground to a whole range of diplomatic, economic, financial assistance including being a leader on agriculture sustainability around the world. A leader to help countries trying to get freedom by assisting democracy movements. Helping countries in transition to move to sustainability and democracy and helping those who are victims of their own governments, atrocity crimes against themselves or to be responsive to horrific natural disasters. And then the third leg which reflects what KT McFarland said: in the tradition of Truman, John F. Kennedy and Reagan, Romney embraces peace through strength, the outliers. The outliers of America's foreign policy are Carter and Obama. They've shown those don't work. I don't like the distinction but hopefully I've explained why it's important to be engaged in leading the world to help those less fortunate. Seeking democracy and those victims of atrocity crimes.

KT McFarland: But we have three branches of government. Whatever the Romney administration might propose has to get through Congress. Senator, you were terrific last night.

Applause.

KT McFarland: It's terrific to see someone up there. When I was in the Reagan administration, some of the toughest battles were not overseas. They were state department or defense department. They talked budgets and tried to take from each other's. We now have cumbaya. The security of defense says we need larger state department budget, more foreign assistance, development, etc. The secretary of state and defense get along well in this administration. What happens going forward with tight economic budget times? They can propose all they want but you'll dispose.

Kelly Ayotte: Thank you. It's great to be up here. To follow up on Rich Williamson: the reason you see now DOD and state department coming hand and hand, General Petraeus, Admiral Mullen advocating for state's defense budget, it's not clear the distinction of power and they go hand in hand for what we have in our tool box to be sure America's strong. You won't see the types of fights as in the past regardless of the administration, because the two do work hand in hand. I've found a challenge and I've been proud of Governor Romney on this point: our foreign aid budget is 1% of our budget. In New Hampshire, if I say we won't give any more money overseas, I guarantee I'd get a standing ovation to that but we know that's foolish in terms of protecting our own country. The more we are engaged overseas, particularly in the USAID budget, what President Bush did in Africa is not only reflective of our values but gave us strong relationships. And this is the case leadership has to make. And Mitt Romney has been making this important point. As I look forwards, where we need leadership the most now is on this issue of sequestration. It's not only the DOD, which I've spent time talking about, our own Secretary of Defense says we'll shoot ourselves in the head, this 1% budget will be devastated also and will force withdrawal of U.S. in the world and will affect our safety. It's also an issue where the president has been absent in terms of his leadership and hasn't shown the leadership needed on this issue. With those dramatic cuts on resources, we pull back for example in Africa, look at the Chinese investment there and the potential there and the potential for the growth of al-Qaeda in Africa. It's to the detriment of the safety of our country and our values to not be there.

KT McFarland: Paula Dobriansky, in terms of Africa and Latin America, one thing is exports and access to resources. That means one of the major areas of growth is in third world developing countries. We've seen where the Chinese will buy resources and give money, no questions asked. How will you deal with that?

Paula Dobriansky: Governor Romney has been explicit on this: here at this convention, a premium is placed on the economy, domestic being priority. You have to have strong economic leadership. What we do here at home matters for our communities and our country and also our ability to engage

abroad. The fortitude with which we're able to do that. It's essential to have strong economic leadership with a plan, a focus that will address many issues that are before us now. The world looks at us and to us for that. Also the issue of innovation. Many of our companies and industries look for opportunities and innovation and have created jobs, opportunities. And innovation also breeds many kinds of ties with other countries. There are many representatives here in this room from countries abroad. Collaboration really matters to economic growth and global competitiveness. And then also Governor Romney has been outspoken about global competitiveness, you need a fair playing field, a good set of rules where global community will play equitably on. There are problems with intellectual property rights. Currency manipulation. You need global responsible stakeholders. Those are the strong kind of foundation and that's what you can see.

Mitchell Reiss: Paula's right about fair trade and Governor Romney is dedicated to a level playing field. The Obama administration has not initiated a free trade agreement in years. We're in the process of negotiating five more. And we have done many in other countries. You need an administration that will fight on behalf of American workers to open up markets overseas.

Kelly Ayotte: This administration has not even wanted trade promotion authority, a basic tool a president needs and this administration has said we don't want it. The markets are overseas and I look at my state and the growth our businesses just in New Hampshire have seen. Signing the South Korean agreement, we waited too long.

Paula Dobriansky: We know how long it took on Korea, thankfully Panama and Colombia were in the mix.

Kelly Ayotte: But to say we aren't reaching out to the next market is quite surprising because we want our businesses to have the markets of the world. And access freely.

Paula Dobriansky: Mitch took my words. Free trade does definitely matter. Not just good for the U.S. but as many representatives in this audience know, it matters to other countries. It's a win-win. Not just for our national interest, but for other countries particularly about those developing countries. It gives them opportunities.

Rich Williamson: Regarding China's activities in Latin America: it brings to mind that we had Washington consensus, so-called, that lasted decades, of free markets, space for civil society and free trade. The combination of the financial crisis, the Chinese rise, and the lack of leadership in Washington the last 3.5 years has resulted in the so-called Beijing model

being on the rise. The model says it's OK to have authoritarian regimes. It's OK to crowd civil society, free speech and other values we cherish. It's OK to oppose free trade. This model is wrong. It's a model that, despite the economic growth in China, now faces enormous stress in China where people demand greater transparency and political participation. It's a flawed model for the developing world. Free markets and trade, civil society will product more prosperous growth. The U.S. has the opportunity and obligation for financial assistance, innovation and strength of our companies, the unmasked charitable contributions, the U.S. gives more money to charitable organizations than our foreigners, all dimensions are important, but it needs political leadership in Washington that recognizes that individuals build those businesses and need free societies with free markets and free trade. That failure these last 3.5 years has to end.

KT McFarland: When we give foreign assistance we want something for it, but also want to develop these countries. Let's look at the Middle East today. They'll have Democratic government, free election. A year later Egypt is dominated by the Muslim Brotherhood, increasingly influencing lack of freedom of the press, they're in the governments locally. Then we see Syria. We don't know how it will end. Would you take American foreign assistance and put strings on it? Should we give money to Muslim Brotherhood counties? Talking about destroying American positions through the world. Where would you be? Do you want something for your money?

Kelly Ayotte: Yes, the answer is accountability. Has to be with taxpayer dollars. The reality is I wouldn't support just wholesale giving money to countries without an understanding of where it's going, what it's supporting, and what the outcome will be. That's an area we can do better. We've seen Iraq, Afghanistan, how do we do this working hand in hand with military to make sure accountability is there. In the Middle East it's fair. It's hard to tell the American people that we weren't looking at what was happening with their dollars. Are dollars going to a place that supports human rights? Those are important questions. They go hand in hand with the strength of America. Peace through strength. We have those dialogues among leaders to say yes we'll help you but where are our expectations. We also understand you won't funnel money to undermine our values. That has to be there and you'll see more and more of that. There's grave concern in congress regarding Pakistan. Many of us who are strong promoters making sure we don't have an isolationist policy will still ask about our dollars.

Rich Williamson: The governor was clear last fall and said it should be conditional. He hasn't backed off that. Also the Arab spring and consequences go again to American leadership. In that region what's the one country that has elected a non-Islamic president and non-Islamic

majority? Libya, where we have been passive, crossed our fingers, held our breath. Hasn't turned out so well. Some, like Egypt, the administration cut assistance for democracy and civil society. Syria, this isn't speculation. Governor Romney made a statement a year ago plus that we should be in there working with the opposition, identifying moderates and helping them organize. Twelve months later Obama followed Romney's advice. Romney six months ago called for helping to arm the moderate opposition. We are glad that President Obama signed a directive to let two of the gulf states do what we suggested, but we have less control now. Those dead are disappointed that Obama waited that long to follow Governor Romney's advice. You have to lead. If you're risk averse, whether in Iran or Syria, the risks will grow, the consequences will be more serious. The result is it will be more consequential and costly. This time someone who's smart, analytical, and embraces American tradition.

Kelly Ayotte: I think that also it's reflected in Syria: the failure of the policy. Here we have Russia thumbing its nose at China. They've murdered their own people. The Iranian regime is stepping up now. The commander of Centcom said that the single biggest strategic setback to Iran would be _____ would go. What we did in Libya was important. But let's look at Syria's relationship with Iran. I agree with the governor's steps in international development.

Paula Dobriansky: On the point about Syria, I think that also one clear issue here in terms of lack of leadership is virtual outcomes in our policy to the United Nations. The security counsel has not taken advanced resolutions that would benefit the situation on the ground. The U.N. critiqued and criticized itself for its own lack of action. About condition aid: especially because this gathering brought together IRI, US Global Leadership Coalition and One. And that is the role of NGOs. They talk about this issue. There are many here who with Egypt and what was happening on the ground with regard to our NGOs in Egypt, there was concern about how our monies would be handled. Many NGOs recommended Obama should not give aid up front to the Egyptian military during the transition. The argument was don't do it until you see the transition come true. We are in this hall, with groups that are active in helping on the ground, that kind of conditional aid does matter.

KT McFarland: Go into more detail about the kinds of aid that will nudge the process along, how we don't want to give money to people who will use it against us or our allies. What kind of programs do you envision?

Rich Williamson: The IRI has been in this business a long time, launched in Reagan's speech on June 8, 1982. The fundamental and important point about the importance of helping those who share our aspirations. He said we cannot determine the pace of freedom's march but there should be no

doubt our goal for all people, which is freedom, democracy. In that speech he outlined giving those the tools to build civil society, to learn the instrument, have viable political debate, how to put together political platforms. Since then the National Democratic Institute chaired by Madeleine Albright and _____ John McCain have worked closely in countries all over world. It's not a steady march. We saw this in Eastern and Central Europe, with progress, setback, then progress again. You must have faith that all people hear the beat of freedom, and want to march to that beat. And we can help give them the equipment. It's been an honor to be on the IRI board. Freedom House does similar work. NDI. There are organizations on the NGO world and others who are helping civil society not just to push a freedom agenda, but because people need that to have space to prosper in their own society, to stand up to oppression. They're better off, we're better off. That's why we need consistent U.S. leadership.

KT McFarland: We were both in the Reagan administration. Governor Romney wants to associate himself with that administration. It's easy to remember. Reagan, Romney, Ryan, all tall guys with dark hair. When the Reagan administration came in, the U.S. was in a similar position as today. The economy was terrible. Interest rates were through the roof. Unemployment. State of inflation. Carter talked about American malaise, that we had lost our will, our place. There was a gloomy feeling in the country. A lot of problems then are worse today. We have the looming threat of the Soviet Union. President Reagan restored defenses, the economy, won the cold war without firing a shot. He's beloved by all, including those who didn't like him and American exceptionalism. Not in a Peter Pan kind of way where you sprinkle fairy dust. He had specific programs. What's upsetting to me, last week's poll said the majority of the people feel that America is a civilization in decline. With this election it's also about the direction of American civilization. We've stopped believing in ourselves. American exceptionalism. What would you do? How do we put policies to it to regain the American sense of a bright shining city on the hill?

Mitchell Reiss: Getting Governor Romney elected president is the first step.

Applause.

Mitchell Reiss: Then other opportunities open up. It can't be said often enough the importance of leadership and the failure of this administration to explain to the American people what it's trying to do, in Afghanistan or domestic. There's no vision for the future. Mitt Romney has an affirmative, positive vision of the future like Reagan in 1980 and it will win the day. It's specifics on the foreign policy side. Free trade we mentioned. Rich spoke about commitment to human rights, values. I think shamefully Obama has

left behind IRI employees to languish in Egyptian jails when our employees were bought their freedom. We couldn't get young Egyptians to believe in democracy, human rights, we abandoned them. They still have court cases hanging over their heads. Obama doesn't have a plan. For the Middle East. For countering and preventing Iran from acquiring nuclear weapons. Governor Romney has plans for all those. Free trade. Human rights. Stronger defense. And the vitality of the American economy, on which our foreign policy rests.

Paula Dobriansky: I was in the Reagan administration with the National Security Council and Freedom House and the vice chair of national democracy board. Mitch mentioned human rights. The point about values is: Governor Romney has spoken about the importance of values and human rights. We haven't seen leadership on this. When Obama began there was a tone set. Many groups were outspoken. This wasn't even a political issue. They came forward, disappointed in not having the kind of leadership at the top, the inspiration in this area. And the issue of mixed signals in dealing with other countries, not setting forth specific and clear lines about relationships. We have a political engagement, economic engagement but part of the package of engaging us, we stand for something, have a moral foundation. Want to engage with others who can engage with us in those areas. That's an area sorely lacking.

Rich Williamson: Frank Fahrenkopf and I had a dear friend, Senator Paul Laxa, who chaired that campaign in 1980. I served with him and I feel echoes of that this year. The sophisticate said Reagan couldn't turn the economy around.

KT McFarland: Oops.

Rich Williamson: I did a debate not long ago in economic issues, where it was said everybody I know says you need to raise taxes. It reminded me of the guy who said I don't know how Reagan won. Nobody I know voted for him. The fact is Reagan had success as a governor balancing an economy. Romney is a great turnaround expert in the private sector and public sector in Massachusetts and the Olympics. He's speaking hard truths about decisions that have to be made. In 1980 we had a president who thought it was the American people's fault we were in malaise. We need a president who thinks it's his job to remind the American people and the world we are the shining city as long as we're faithful to our values and allow the American people to renew our economy and society and build that future.

Kelly Ayotte: We need to echo what Paula said, talking about how we are standing up for human rights. Think about Tehran people taking to the

streets and the president was silent. President Reagan would have never allowed that.

Applause.

Kelly Ayotte: Here's the good news: the reason that wall fell is because he said in that famous speech, Mr. Gorbachev, tear that wall down. We have not had that type of leadership. What's happening in Russia with human rights? When it comes to our allies they feel we have left them behind. The polls. The Czechs. We backed off on missile defense. I think they thought the power of personality would change people like Ahmadinejad in Iran, where we know it's only through strength and clearly speaking about who we are and that type of American leadership that we can deal with the leaders in Iran and such. That's what we'll see in a Romney administration. He's not afraid to speak up and assert our values. And making sure we have a strong military. We're backing away from that. Then people will believe we have the strength to back up what we say.

Applause.

KT McFarland: This is the point we'll take questions from the audience. Through your blackberries and iPads. Use #GOPFP. Someone will hand me the cards. Let's go back to what you said about Governor Romney taking problems and solving them using the private sector. You also talked about Reagan. His idea was get out of the way and let the private sector deal with it. Talk about the need for private sector to work with or supplant government. How will Governor Romney work with business?

Paula Dobriansky: You can expect great activism in this area. Whether it's businesses or non-government organization, faith-based, they have a role to play. The earlier panel focused on compassionate conservatism. Foreign assistance. Health-related issues. There are so many different sectors where the private sector can play. The private sector has given greater access in U.S. government, getting anti-retrovirals to very rural areas. It's also the private sector that has a face, it is the face of the U.S. abroad in many ways. This is just one area. It's crucial, the opportunities for business. It's essential that businesses bring their ideas forward. Those are the ideas on the cutting edge and need to be supported, particularly in innovation. These can make a phenomenal difference in soft power.

Rich Williamson: More impact on economic development in the world comes from the private sector. The charitable contributions of the U.S. people especially through faith-based dwarfs our foreign aid. Our administration thinks profits are bad. Success should be punished. People who build that should be denigrated. You'll have a president ...

KT McFarland: Wait. You didn't build that, isn't that the whole point?

(Laughter)

Rich Williamson: Those who build that are not part of the circle embraced. We will have a president who understands that charitable contributions are important. Just look what Governor Romney personally gives. We'll have a president who understands the power of free enterprise in the public sector. Who understands Pfizer doing work in Uganda, Caterpillar in China, and other companies, Monsanto in agricultural development. They're making vital contributions every day. They're partnerships. We want them to succeed. We share a vision that growth across the globe is good for the globe and us.

Paula Dobriansky: What's impressive is the fact they haven't stayed in their own lane, but have taken on issues that matter to us all like trafficking in persons. It's incredible the dedication and investments many companies make. They work with other countries, educate, work together, to combat human rights abuses.

Kelly Ayotte: When you look at what's being done with the private sector, they can hit a problem faster, more efficiently with better return on investment. I know Governor Romney will make those types of partnerships that enable the private sector to use their innovation and problem solving skills not be hampered by Washington. We can leverage taxpayer dollars and the expertise in the private sector.

KT McFarland: We have 5 minutes. Here's a question: Governor Romney has talked about and lived his life about service. Missionary work. His children. Do you see him embracing the notion that American young people, half who are unemployed, should do good deeds. Join the military. The Peace corps. The national park service. Or go abroad with NGOs. Spend 18 months of their life doing for others?

Rich Williamson: It's important to look at a leader's own life. This is a man who left Stanford to spent two years as a missionary, knocking on 200 doors a day, 199 closed on him, having perseverance in service in his faith to try to help others. A person who gives tens of millions of dollars every year for charitable efforts. Who has had five sons who all have done missionary work. When a co-worker's daughter disappeared, he shut down Bain, took all the employees to New York, passed out flyers about the girl, went door to door and helped recover the child taken. A man who, like Bush, doesn't go around patting himself on the back but has had a life of service and, as the founder of The Thousand Points of Light did for America, he will be committed that that value regains strength in the USA.

KT McFarland: That's a great note to end this session.

Applause.

KT McFarland: Thanks again to Mitchell Reiss, Paula Dobriansky, Rich Williamson, and Paula Dobriansky. In a Romney administration, they are committed to restoring the shining city on the hill. And using non-government organizations, foreign assistance, economic development that is good for the world and for the U.S. You'll be held to your promises.

Mark Green: A round of applause for our panelists.

Applause.

Mark Green: And KT McFarland. Our first panel began with Michael Gerson talking about different approaches to development and diplomacy, accountability, market-oriented approach, transparency. We heard justification for these tools. Expression of our moral values. This panel talked about American exceptionalism, at the heart of Romney's campaign, these tools are intertwined, and must go hand in hand. Kelly Ayotte warned us of the dangers of disproportionate cuts to this area. You see a Republican party engaged. That believes in American leadership. That will stand with people around the world who yearn to be free. Let's thank on behalf of US Global Leadership Coalition, our partners, One and the IRI. I also want to say Governor Pawlenty was sidetracked and couldn't make it here. Go to the Tampa club at 4:00 where he'll be engaged in an event with the foreign policy initiative. And I wanted to make sure our international visitors who are here, I'm told you are to please exit the first door on your right to get to your buses. Once again, thanks to all of you for coming. Thanks for our panelists. It was a great time indeed.

Applause.

- end -