The background of the entire image is a stylized American flag. The top half features a dark blue field with white stars, while the bottom half shows the red and white stripes of the flag, which appear to be waving. The text is overlaid on this background.

Strategy for a Stronger America

MITT
ROMNEY

A decorative graphic consisting of several overlapping, flowing red ribbons that curve upwards and to the right, positioned to the right of the author's name.

MITT ROMNEY

My fellow Americans,

Throughout the history of the world, there have been “inflection points”—times when political, economic, military and other forces converged to alter the course of our nation’s history. I believe we are at one of those inflection points today. Forces of globalization, the rise of major new economic powerhouses such as China and India, and the emergence of radical jihad have created a “perfect storm” that will change the course of our nation.

Our actions today will determine which course America will take. Will America remain the world’s economic and military superpower, able to preserve peace and prosperity? Will our children and grandchildren grow up with the same opportunities that have been the birthright of Americans for over two centuries? Will the culture that is uniquely American—a culture of family, patriotism, faith, and freedom—remain the foundation of the American dream?

Our future depends on our willingness to hold to the principles that have guided and built our nation. It depends on the character and sacrifices of the American people. And it depends on leadership to craft and implement a **Strategy for a Stronger America**.

America’s strength has been the best ally peace has ever known. Our strength has flowed from the inherent goodness of our people, a people that time and again has paid the ultimate price for freedom, for faith, and for family. Our strength starts in the home where mothers and fathers teach children enduring values. It is seen in our economy where free enterprise has been matched with ingenuity, technology and hard work. And it is preserved by a strong military, peopled by the bravest and most patriotic soldiers in the world.

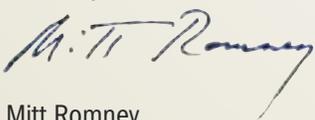
As I look at the new generation of challenges facing our country, I know that our actions must be rooted in the core principles that have made America strong. Our way ahead must be built on these fundamental principles:

- **Our military superiority cannot be compromised**
- **Our government must remain federalist and governing should be conducted as close to the people as possible. Washington today is not the solution, it is part of the problem**
- **Money and resources are best used when they remain in the hands of the people. A competitive America is one where taxes are low and government is small**
- **Free market principles built the American economy. Unleashing the power of free markets is key to our economic future**
- **Culture determines the strength of a nation. American values must be cherished and developed in each generation**
- **Government should be accountable and transparent. Government service is a privilege and government officials should be held to the highest ethical standards**

These principles are at the center of my **Strategy for a Stronger America**. I am convinced that as we employ these principles to confront the new generation of challenges, we will emerge an even stronger nation. Our future will be even more bright and prosperous than our past.

If I have the privilege of serving as your President, I can promise that these principles will guide my decisions and that I will be ready to act, on day one. Together, we will meet our challenges. We will leave our children and grandchildren an America that is strong and prosperous, an America that remains the hope of the world.

Sincerely,



Mitt Romney

STRATEGY FOR A STRONGER AMERICA

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CONSERVATIVE POLITICAL ACTION CONFERENCE (CPAC)

Washington, D.C.

Friday, Mar 02, 2007

"The mainstream media is surprised that we're here. They wrote our obituary last fall. Course, they've written our obituary before: after Watergate, after the 82 midterm elections, after Iran-contra, and after Bill Clinton's election. The truth is that their wishful thinking reports of our demise have been greatly exaggerated. In fact, I predict that we'll be around a lot longer than . . . say, newspapers.

"No, conservatism is alive and well. And it is needed more than ever. America faces a new generation of challenges, critical challenges. Today is similar in many respects to what we faced as a nation 30 years ago, looking at the menacing face of communism.

"In fact, 30 years ago, in this very conference, one man stood up and told America what was needed. It was conservatism, a new coalition of conservatives that would lead to a brighter future for the nation. Ronald Reagan said this: 'What I envision is not simply a melding together of the two branches of American conservatism into a temporary uneasy alliance, but the creation of a new, lasting majority.' And here is where he said that this conservative alliance would lead: 'I have seen the conservative future, and it works.'

"Coming from Massachusetts, I saw first hand the liberal future, and it doesn't work. That's why I ran against Ted Kennedy. Liberal social programs weren't solving poverty; they were in fact creating a culture of poverty. I didn't win, but at least Teddy had to take out a mortgage on his home to beat me.

"I was once campaigning in a poor section in Boston when a person came up to me and said: 'What are you doing here? This is Kennedy country.' I looked around at the vacant store fronts and boarded up windows and replied: 'Yeah, it looks like Kennedy country.'

"No, it is the conservative coalition represented here that can build a brighter future for America: economic conservatives, social conservatives, and national security conservatives.

"I saw the potential of economic conservatism when I became governor. The state budget was \$3 billion short. Liberals wanted to raise taxes, but I cut government instead. I eliminated and combined duplicative and wasteful agencies and programs, and I balanced the budget four years in a row. One commentator said that I

didn't just go after the sacred cows, I went after the whole herd. And after four years as governor, I'm proud to report that Massachusetts has 600 fewer state workers than when I took office.

"I went after taxes as well. The Legislature passed a \$250 million retroactive capital gains tax increase. I knew my veto would be overridden by the 85% Democrat majority. So I had the Department of Revenue send every taxpayer a pro forma bill for their new higher taxes, and then I waited for folks to call their legislators. And did they ever. Then, I sent the Legislature an amendment that turned the \$250 million tax increase into a \$250 million refund. Amazingly, the Legislature now saw the error of their ways.

"I didn't stop there. We made the investment tax credit permanent. We passed sales tax holidays. We gave tax breaks to medical manufacturing companies. We gave real estate tax breaks to seniors. And in each of my last three years, I submitted a budget that cut the income tax.

"It's time for some economic conservatism in Washington as well.

"We've seen an embarrassing spike in non-defense discretionary spending. As you know, I'm proud to be the first Presidential candidate to sign Grover Norquist's tax pledge. But I have another pledge I am making to you today. If I am elected President, I will cap non-defense discretionary spending at inflation minus one percent. That alone will save \$300 billion over 10 years. If Congress sends me a budget that exceeds the cap, I will veto that budget. I don't care if it's a Republican or Democrat Congress, I will veto that budget.

"And I know how to veto. I like vetoes. I vetoed hundreds of spending appropriations as Governor. And, by the way, if Congress doesn't want to do the cutting itself, then give me the same line item veto I had as Governor.

"And one more thing, I will personally lead a top to bottom review of government programs, agencies, procurement and spending. It's time to cut out the mountains of waste and inefficiency and duplication in the federal government. I've done that in business, I've done that in the Olympics, and I've done that in Massachusetts. And boy, I can't wait to get my hands on Washington.

"Democrats in Washington are itching to raise taxes - 2011 is set to be a record breaking tax hike. Not if I'm President.

I'll fight to stop the tax hike. And I'll fight for a new savings plan for middle class Americans as well - one that will grow the economy and help families at the same time. Under my plan, the amount of tax they will pay on dividends, interest and capital gains will be absolutely zero.

It's high time to take government apart and put it back together, but this time simpler, smarter and smaller.

Let's talk about social conservatism too.

Massachusetts became center stage for the liberal social agenda - sort of San Francisco east, Nancy Pelosi style.

Ten months into my term, the Massachusetts Supreme Judicial Court said our Constitution requires gay marriage. John Adams, who wrote it, would be surprised.

Less than a year later, scientists were trying to convince me that it's not a moral issue to clone entirely new human embryos solely for research.

Not long after that, the Catholic Church was forced to exit their adoption service because they preferred placing kids in homes with a mom and a dad, not two dads or two moms.

I have stood in the center of the battlefield on every major social issue. I fought to preserve our traditional values and to protect the sanctity of life.

I vetoed bills, and filed new bills. I enforced a law that banned out-of-state same sex couples from coming to Massachusetts to get married. I went to the court again and again, I testified before Congress for the federal marriage amendment, and I championed our successful drive that collected 170,000 signatures for a citizen ballot initiative to protect marriage.

To me, a fundamental principle of democracy is at stake. It is the people who are sovereign in America, not a few folks in black robes. Judges add things that aren't in the Constitution, and they take away things that are in the Constitution. In that regard, they let the campaign finance lobby take away First Amendment rights. If I'm President, I will fight to repeal McCain-Feingold.

Another aspect of American sovereignty is the security of our borders. The current system is a virtual concrete wall against those who have skill and education, but it's a wide open walk across the border for those that have neither.

McCain-Kennedy isn't the answer. As governor, I took a very different approach. I authorized our state police to enforce immigration laws. I vetoed a tuition break for illegals and said no to driver's licenses. McCain-Kennedy gives benefits to illegals that would cost taxpayers millions. And more importantly, amnesty didn't work 20 years ago, and it won't work today.

The new generation of challenges we face today includes challenges to our national security as well. Violent Jihadists are intent on replacing moderate Islamic governments with a caliphate. To do that, they seek the collapse of our economy and our military.

We will defeat the violent Jihad with a two-part strategy. First, an unquestionably strong military. The best ally peace has in the world is a strong America. We need more men and women in the military, better armaments, and a Strategic Defense Initiative. And there's a second aspect of our strategy: we must bring together all the civilized nations of the world in what might be called a Second Marshall Plan. Together with them, and with volunteers, businesses and NGOs, we must support moderate Muslim nations and peoples. They need public schools that are not Wahhabi schools, the rule of law, property rights, modern banking and agriculture and pro-growth economic policies. In the end, it is the Muslim people themselves who will eliminate radical Jihad.

Iraq is just one front in the war. We removed Hussein, but afterward, we were under-prepared, under-planned, under-manned, and under-managed. But walking away now or dividing the country and then walking away would have real and severe risks for America and for our troops. I support the troop surge for that reason. And one thing I know, we shouldn't let Nancy Pelosi and Harry Reid dictate our battle strategy to the commanders in the field or to the Commander-in-Chief.

Conservatism is a belief in strength. It is because of America's strength that we don't all speak German and that our kids don't all speak Russian. And it is because of America's strength that our grandchildren will not have to speak Farsi or Arabic or Chinese. America must remain the world's military superpower. That is a first principle of conservatism. To remain the military superpower, we must remain the world's economic superpower as well. You can't be a Tier I military with a Tier II economy - the Soviet Union tried to keep that up for a while, and lost.

“It’s inconceivable to us that we could ever be passed economically. But 100 years ago, it was inconceivable that anyone could have passed England or France. But we did. And if you look East, you can see that we are facing much more difficult competition from Asia than we have faced before. They want to move the center of manufacturing and technology and innovation from America to Asia. We may just smile, but don’t forget what Will Rogers said:

“Even if you’re on the right track, if you don’t move, you’ll get run over.’ America will move, but the question is, ‘In what direction?’

“History can be a guide. The 20th century saw two economic systems pitted against each other. Ours was built on free enterprise, free trade and the primacy of the individual. The Soviet’s was built on government command and control, and the primacy of the state.

“Ours produced the most powerful economy in the world that has given its citizens a standard of living our grandparents never dreamed possible; theirs produced a downward spiraling standard of living and eventual collapse.

“The 20th century history lesson is that America’s economy is strong because we put our trust in freedom, in the American people, and in the free enterprises they create.

“If we are to keep America strong, we must turn to the source of America’s strength. Liberals think that government is the source of our greatness. They’re wrong. The American people are the source of our strength: hard working, educated, skilled, family-oriented, willing to sacrifice for their family and their country, God-fearing, freedom-loving American people. They always have been the source of our strength and they always will be.

“And so if we need to call on the strength of America, you don’t strengthen government, you strengthen the American people.

“You strengthen the American people by letting them keep more of their own money, and not taxing their families at death.

“You strengthen the American people by making sure that the voice of millions of voters trumps the voice of unelected judges.

“You strengthen the American people by securing our borders and by insisting that the children who come legally to this land are taught in English.

“And perhaps most importantly, you strengthen the American people when you strengthen the American family. Marriage must come before children because every child deserves a mother and a father.

“This is not the time for us to shrink from conservative principles. It is time for us to stand in strength.

“Because America faces unprecedented challenges, strength is the only answer. Strong military, strong economy, strong families.

“Thirty years ago, in challenging times, a great coalition was forged in these halls. Today, we face a new generation of challenges.

“If we in this room lock our arms together, we can forge the political will to rebuild our military might. If we in this room will simply march forward we can propel America’s growth and prosperity to lead to the world. If we in this room lift up our eyes, we will lift the spirit of the nation.

“Now is the time, this is the place, for us to stand together, to lead a great coalition of strength, for our families, for our future, for America. May God bless this great land.” ■



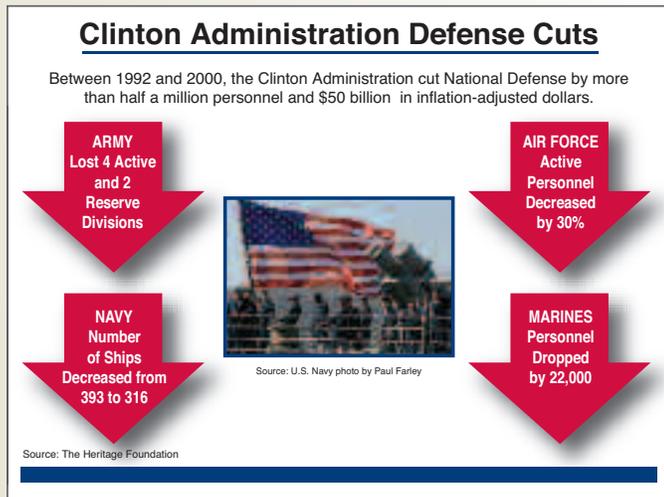
CHALLENGE #1:

Keeping Americans Safe At Home And Abroad

CHALLENGE: After President George H. W. Bush left office, in 1993, the Clinton Administration began to dismantle the military, taking advantage of what has been called a “peace dividend” from the end of the Cold War. We took the dividend, but we did not get the peace.

Meanwhile, we lost about 500,000 military personnel and about \$50 billion a year in military spending. The U.S. Army lost four active divisions and two reserve divisions. The U.S. Navy lost almost 80 ships. The U.S. Air Force saw its active personnel decrease by 30 percent. The Marines’ personnel dropped by 22,000.

GOVERNOR ROMNEY: “They took the dividend, but didn’t get the peace. It seems that we had come to believe that war and threats and evil men were gone forever. As Charles Krauthammer observed, we took a ‘holiday from history.’ (Governor Mitt Romney, Remarks At The George Herbert Walker Bush Presidential Library, 4/10/07)

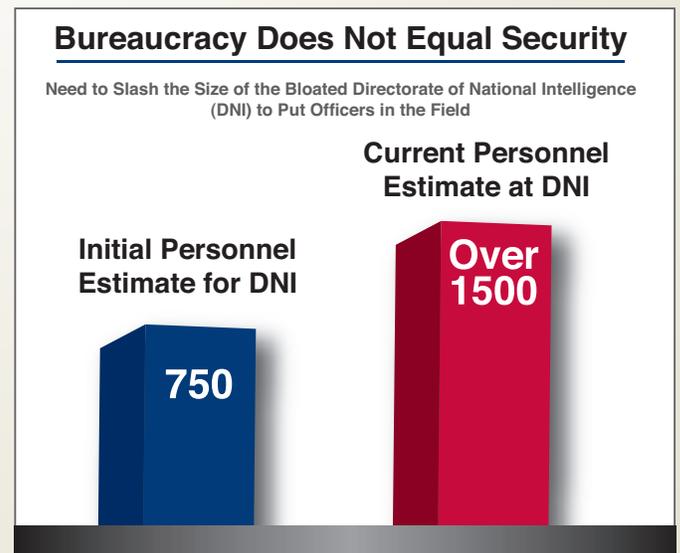
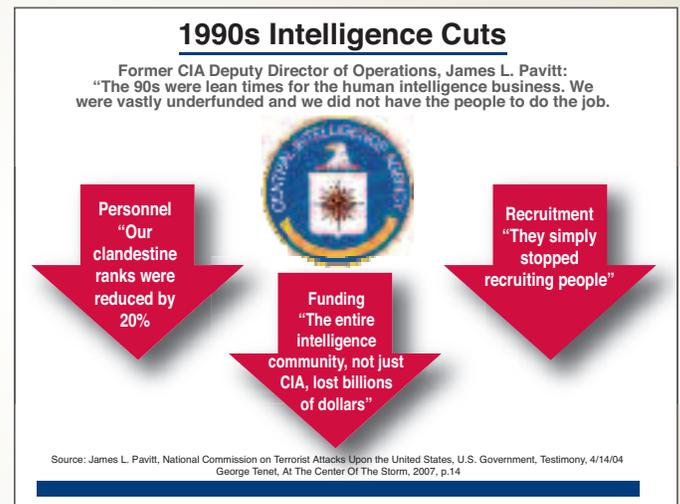


CHALLENGE: In our civilian agencies, a more pervasive problem exists: bureaucratic inaction. Today, there is no unity among our international nonmilitary resources. There is no clear leadership and no clear line of authority. Too often, we have to struggle to integrate our nonmilitary instruments into coherent, timely, and effective operations.

GOVERNOR ROMNEY: “[We] removed barriers to unify efforts across the services. This included establishing ‘joint commands’ with individual commanders fully responsible for their geographic region... Our non military resources enjoy no such jointness, no such clear leadership, no such clear lines of

authority and responsibility. Too often we struggle to integrate our military and civilian instruments of national power into coherent, timely and effective operations.” (Governor Mitt Romney, Remarks At The George Herbert Walker Bush Presidential Library, 4/10/07)

CHALLENGE: During the Clinton Administration, our intelligence community was critically weakened. The CIA workforce was slashed by almost 20% and recruitment was reduced dramatically, undermining effective human intelligence. Unfortunately, Washington’s response has focused on creating a new, expanded and duplicative bureaucracy in the Directorate of National Intelligence.



Keeping Americans Safe At Home And Abroad: THE ROMNEY *Plan*

- **A Stronger Military.** We must increase the size of our military by 100,000 troops. In addition, we should increase to at least four percent of our gross domestic product to defense. This kind of investment will make up for critical gaps in the modernization of our equipment, personnel and health care efforts. However, as we invest in our military, we must ensure that funds are used to address critical needs of the men and women of our Armed Forces, not political or contractor interests.
- **Transform And Strengthen Our Domestic Civilian International Efforts To Meet A New Generation Of Challenges.** Building on the Goldwater-Nichols military reforms of the 1980s, we need to ensure that our civilian instruments of national power have the ability to build joint efforts among our civilian agencies and empower Regional Deputies with clear lines of authority, sufficient budgets and the responsibility to develop and execute regional plans and strategies. We must also constantly challenge bureaucratic “group think” and revitalize our national security structures so we have the capabilities needed to meet 21st century challenges.
- **Strengthen Strategic Planning.** Many of our civilian national security and foreign policy structures were created decades ago. Today we need strengthened capabilities to strategically integrate all elements of national power. National Security Council staff must be empowered and accountable for reaching out to divergent viewpoints and challenging policies and proposals.
- **Protect The Homeland.** While there has been much emphasis on protecting facilities and responding to attacks, a key priority must be prevention. Today, protecting the homeland must begin far from home. Intelligence and law enforcement efforts able to address threats before they reach our shores must be a priority for U.S. and international action. This will demand new U.S. capabilities, stronger international alliances and integration of our federal actions with international, state and local efforts.

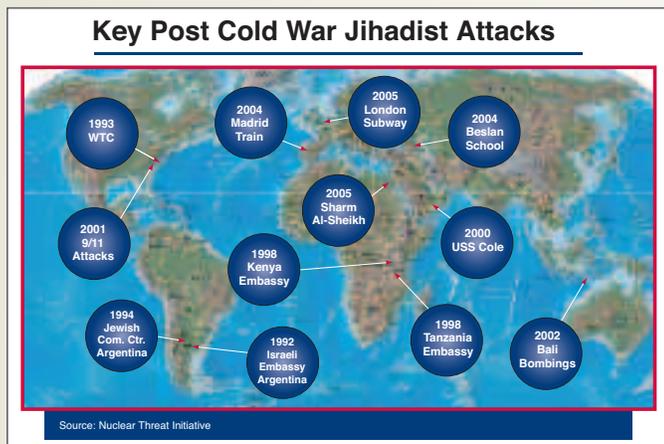
GOVERNOR ROMNEY: “[W]e need to increase our investment in national defense. This means adding at least 100,000 troops and making a long-overdue investment in equipment, armament, weapons systems, and strategic defense. ... [W]e are going to need at least an additional \$30-\$40 billion annually over the next several years to modernize our military, fill gaps in troop levels, ease the strain on our National Guard and Reserves, and support our wounded soldiers. ... The next president should commit to spending a minimum of four percent of GDP on national defense.” (Governor Mitt Romney, “Rising To A New Generation Of Global Challenges,” *Foreign Affairs*, July/August 2007)

GOVERNOR ROMNEY: “We need to fundamentally change the cultures of our civilian agencies and create dynamic, flexible, and task-based approaches that focus on results rather than bureaucracy. ... For every region, one civilian leader should have authority over and responsibility for all the relevant agencies and departments, similar to the single military commander who heads U.S. Central Command.” (Governor Mitt Romney, “Rising To A New Generation Of Global Challenges,” *Foreign Affairs*, July/August 2007)

GOVERNOR ROMNEY: “The key to effective homeland security, in my view, is intelligence, finding the attackers before they attack, gathering and analyzing tips, monitoring suspects, wiretapping, surveillance, all of the tools associated with intelligence work. It’s aided measurably by the Patriot Act, perhaps our most effective new tool. It is also dependent on effective delineations of responsibilities between and among federal agencies, across federal and state lines and state and local lines.” (Governor Mitt Romney, Remarks At The National Press Club, 7/14/04)

CHALLENGE #2: *Confronting Radical Jihad*

CHALLENGE: Jihadism – violent, radical, fundamental Islam – is this century’s nightmare. It follows the same dark path as last century’s nightmares: fascism and Soviet communism. Many still fail to comprehend the extent of the threat posed by radical Islam, specifically by those extremists who promote violent Jihad against the United States and the universal values Americans espouse. Yet the Jihad has been with us for some time.



Radical Islam has one goal: to replace all modern Islamic states with a worldwide caliphate while destroying the United States and converting all nonbelievers, forcibly if necessary, to a fundamentalist form of Islam.

Merely closing our eyes and hoping that Jihadism will go away is not an acceptable solution. U.S. military action alone cannot change the hearts and minds of hundreds of millions of Muslims. In the end, only Muslims themselves can defeat the violent radicals. But we must work with them. The consequences of ignoring this threat – such as a radicalized Islamic actor possessing nuclear weapons – are simply unacceptable.

GOVERNOR ROMNEY: “Today, we face a new generation of challenges, globally and here at home. We will do as Americans have always done: we will rise to the occasion. We have all that we need. We have technology, technology that would have been beyond the imagination of our grandparents. We have national wealth. And most important, we have the heart and passion of the American people - always the greatest source of our strength as a nation.” (Governor Mitt Romney, Remarks At The George Herbert Walker Bush Presidential Library, 4/10/07)

Post Cold War Terrorist Incidents

REGION	INCIDENTS	INJURIES	FATALITIES
Africa	745	8615	2980
East Central Asia	171	5487	214
Eastern Europe	1466	5121	1992
Latin America & The Caribbean	2283	3337	1945
Middle East/Persian Gulf	13048	48989	24869
North America	153	4083	3184
South Asia	4896	20887	8142
Southeast Asia & Oceania	1591	5217	1622
Western Europe	3636	2512	512
TOTAL	27989	104248	45460

Source: The MIPT Terrorism Knowledge Base; RAND

GOVERNOR ROMNEY: “I think many of us still fail to comprehend the extent of the threat posed by radical Islam, by Jihad. Understandably, we focus on Afghanistan and Iraq. Our men and women are dying there. We think in terms of countries, because we faced countries in last century’s conflicts. But the Jihad is much broader than any one nation or nations. Jihad encompasses far more than the Israeli-Palestinian conflict. For radical Islam, there is an over-arching conflict and goal - replacing all modern Islamic states with a caliphate, destroying America, and conquering the world.” (Governor Mitt Romney, Remarks At The George Herbert Walker Bush Presidential Library, 4/10/07)

Confronting Radical Jihad: THE ROMNEY *Plan*

To meet today's challenges, we must mobilize and integrate all elements of national power in unstable areas where traditional civilian agencies cannot operate effectively and traditional military power alone cannot succeed.

- **Create A Special Partnership Force (SPF).** The SPF will integrate all elements of national power under a new force with leadership drawn from a core group of our Army Special Forces trained to work with civilian governments and intelligence personnel to form a new capability that is:
 - ▲ Focused on locally-targeted efforts to win support in the community while identifying, isolating and eliminating terrorist elements.
 - ▲ Highly integrated and able to mobilize all elements of national power, including humanitarian and development assistance and rule of law capacity building.
 - ▲ Closely coordinated in partnership with local governments.
 - ▲ Intelligence driven.
 - ▲ Agile and flexible in its operations.
 - ▲ A sustainable effort in contested areas and sanctuaries of Jihadist groups.

- **Launch A New Type Of Marshall Plan Unifying Nonmilitary Sources Of Power To Support Moderate Muslims.** As President, Governor Romney will call together our Middle East allies and the major nations of the developed world to establish a "Partnership for Progress and Prosperity."

This Partnership will assemble the resources of all developed nations to assure that threatened Islamic states have public schools, micro-credit and banking, the rule of law, human rights, basic health care, and competitive economic policies. Resources would be drawn from public and private institutions, and from volunteers and NGOs.

- **Strengthen Global Alliances.** The failure of efforts such as the United Nations Human Rights Council has given multilateralism a bad name. America's strength is amplified when it is combined with the strength of other nations. We need to expand alliances such as NATO

and efforts among the world's leading nations to face the new threat of radical Jihad and increase our homeland security. We need to build global and regional capacities and networks of law enforcement and intelligence officials to confront Jihadists and other transnational threats.

GOVERNOR ROMNEY: "This [Special Partnership] Force would work hand-in-glove with local host governments. Together, they would seek to target and separate terrorists from the local population, and to disrupt and defeat them. They would have the authority to call in all elements of civil assistance and humanitarian aid. Where they felt it was necessary, they could call in Delta and SEAL military resources. Their goal would be to build national institutions of stability and freedom, and to promote the rule of law and human rights." (Governor Mitt Romney, Remarks At AEI World Forum, 6/21/07)

GOVERNOR ROMNEY: "And further, if I were fortunate enough to be elected your President, I'd call for a National Summit of Nations to create a new partnership – a Partnership for [Progress] and Prosperity.

"This Partnership would assemble the resources of all the nations of the world to work to assure that Islamic states that are threatened with violent Jihad have public schools that are not Wahhabi madrasas; that they have micro-credit and banking, the rule of law, human rights, basic health care, and competitive economic practices." (Governor Mitt Romney, Remarks At Yeshiva University, 4/26/07)

GOVERNOR ROMNEY: "The inaction, if not the breakdown, of many Cold War institutions has made many Americans skeptical of multilateralism... But such failures should not obscure the fact that the United States' strength is amplified when it is combined with the strength of other nations. ... [W]here institutions are fundamentally incapable of meeting a new generation of challenges, the United States does not have to go it alone. Instead, we must examine where existing alliances can be strengthened and reinvigorated and where new alliances need to be forged." (Governor Mitt Romney, "Rising To A New Generation Of Global Challenges," *Foreign Affairs*, July/August 2007)

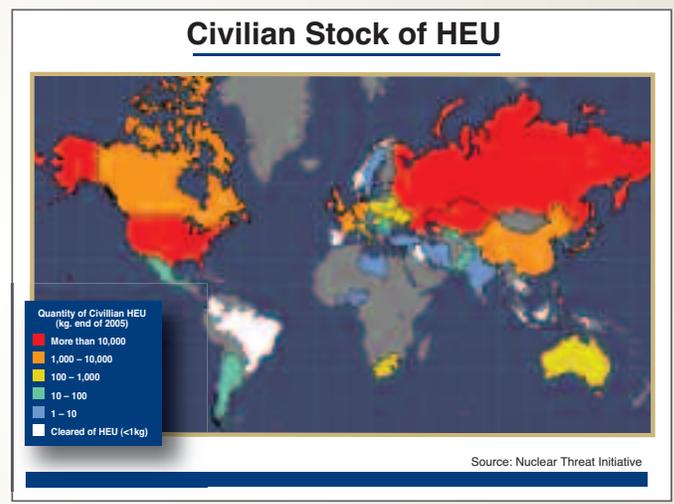
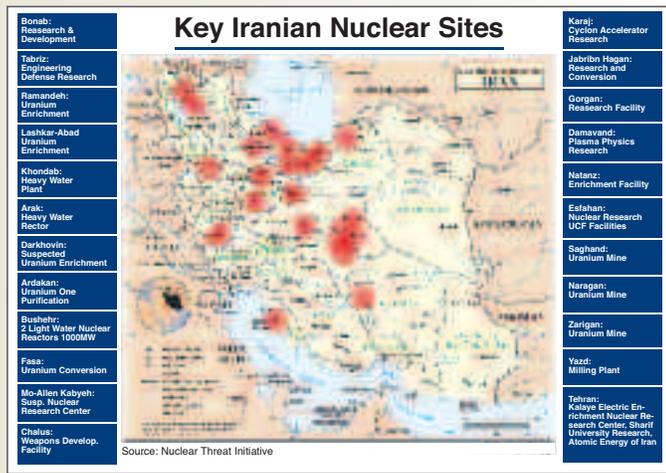
CHALLENGE #3: *Combating Nuclear Terrorism*

CHALLENGE: We are faced today with the horrific proposition that those who speak of genocide are developing the capability to carry it out. Iran's President Mahmoud Ahmadinejad has made statements that Israel will be wiped off the map. It's time to face the reality of the Iranian threat, take Ahmadinejad at his word and act accordingly. Iran's ambition to develop nuclear weaponry cannot be clearer: they have a virtually inexhaustible supply of clean natural gas for energy, they have refused offers to supply nuclear fuel for their power. Obviously, their nuclear ambition has nothing to do with clean energy.

GOVERNOR ROMNEY: "Some people, of course, think that it's possible to live with a nuclear Iran. That thinking is based on the theory that Iran, once it's granted the privilege of becoming a member of the nuclear club, that it will be a responsible actor. Neither their words nor their actions justify that kind of thinking." (Governor Mitt Romney, Remarks At Yeshiva University, 4/26/07)

enforcement of this obligation is often lacking. Consequently, countries can ignore their obligations under the NPT with little fear of sanction or penalty. Given the unstable political and economic situation in many of these countries, there is the real possibility that these nuclear technologies, fissile materials, or even fully assembled nuclear weapons, could find their way to terrorists.

Moreover, the September 11th Commission reported that al-Qaeda had been trying to acquire or build nuclear weapons for well over a decade. Former CIA Director George Tenet said that Osama bin Laden sees the acquisition of WMD as a "religious obligation."



GOVERNOR ROMNEY: "The Iranian regime threatens not only Israel, but also every other nation in the region, and ultimately the world. And that threat would take on an entirely new dimension if Iran were allowed to become a nuclear power. And just think of the signal a nuclear Iran would send to other rogue regimes with nuclear ambitions - this could be the tipping point in the development and proliferation of nuclear regimes." (Governor Mitt Romney, Remarks At The Seventh Annual Herzliya Conference, 1/23/07)

CHALLENGE: The 1970 Nuclear Nonproliferation Treaty (NPT) was meant to prevent countries from acquiring dangerous nuclear technologies and fissile materials such as plutonium and highly enriched uranium (HEU). However, effective

Combating Nuclear Terrorism: THE ROMNEY *Plan*

- **Tighten Economic Sanctions Against Iran.** Governor Romney has called for strategic divestment from companies that support the Iranian regime's dangerous actions, using efforts similar to the actions taken against Apartheid South Africa.
- **Isolate Iran Diplomatically.** Their leaders should be made to feel like those of Apartheid South Africa. Until there are indications that high level engagement would do anything other than reward bad behavior, the United States should not engage Iran in direct, bilateral negotiations over their nuclear weapons program. Finally, Iran's President Ahmadinejad should be indicted under the terms of the Genocide Convention for incitement to genocide.
- **Have Arab States Join This Effort To Prevent A Nuclear Iran.** These states should support Iraq's government; turn down the temperature of the Arab-Israeli conflict; stop the financial and weapons flows to Hamas and Hezbollah; and tell the Palestinians to drop their terror campaign and recognize Israel's right to exist.
- **Make It Clear To The Iranian People That While Nuclear Capabilities May Be A Source Of Pride, It Can Also Be A Source Of Peril.** If nuclear material from their nation falls into the hands of terrorists and is used, it would provoke a devastating response from the civilized world. The military option remains on the table.

Governor Romney Believes We Must Expand And Accelerate Efforts To Combat Nuclear Terrorism By Taking The Following Actions.

- **Expanding And Accelerating Actions To Combat Nuclear Terrorism.** The Global Initiative to Combat Nuclear Terrorism, which was launched last year, was a good start. Yet our efforts need to be greatly accelerated and expanded. Combating the threat of nuclear terrorism needs to be a top Presidential priority.
- **Empowering A Senior Ambassador To Lead Efforts To Prevent Nuclear Terrorism.** We should appoint a new Ambassador-at-Large to prevent nuclear terror. He or she would have the authority and resources needed to work across government agencies and departments to ensure that our strategies both here and abroad are coordinated.



According To Defense Department



- **Making Nuclear Trafficking A Crime Against Humanity.** Governor Romney would promote an international initiative to develop a new body of international law making nuclear trafficking a crime against humanity, on a par with genocide and war crimes.
- **Creating A Gold Standard For Nuclear Security.** Nuclear power can be inexpensive and clean. Countries seeking to use nuclear power for peaceful purposes should reaffirm their commitment to nonproliferation. For years, the Nuclear Nonproliferation Treaty has been at the centerpiece of this effort. But because of recent technological and political developments, we need to update our efforts for the 21st century, including a new commitment to stringent security regimes.
- **Frank, Direct Efforts With Russia On Containing This Threat.** We must engage Russia in a frank and open discussion about the serious and disturbing turn of events in their country. At the same time, we must continue to partner with Russia in securing their vast amount of nuclear material. Russia must play a central role in any effort to prevent nuclear terrorism.
- **Removing The Incentive For Dangerous Civilian Nuclear Capabilities.** The United States should take the lead in organizing and financing an international fuel bank to guarantee low-cost supplies of nuclear reactor fuel to countries willing to adhere to heightened security and safety standards. Working with the International Atomic Energy Agency, this initiative would promote the peaceful use of nuclear energy while providing new safeguards against diversion of fissile materials to terrorists.

GOVERNOR ROMNEY: “A nuclear Iran is unacceptable because, as Defense Secretary Robert Gates pointed out in his confirmation hearings, we have no way of guaranteeing that Iran will not use a nuclear weapon.” (Governor Mitt Romney, Remarks At The Seventh Annual Herzliya Conference, 1/23/07)

GOVERNOR ROMNEY: “It is time for the world to plainly speak three truths:

One, Iran must be stopped.

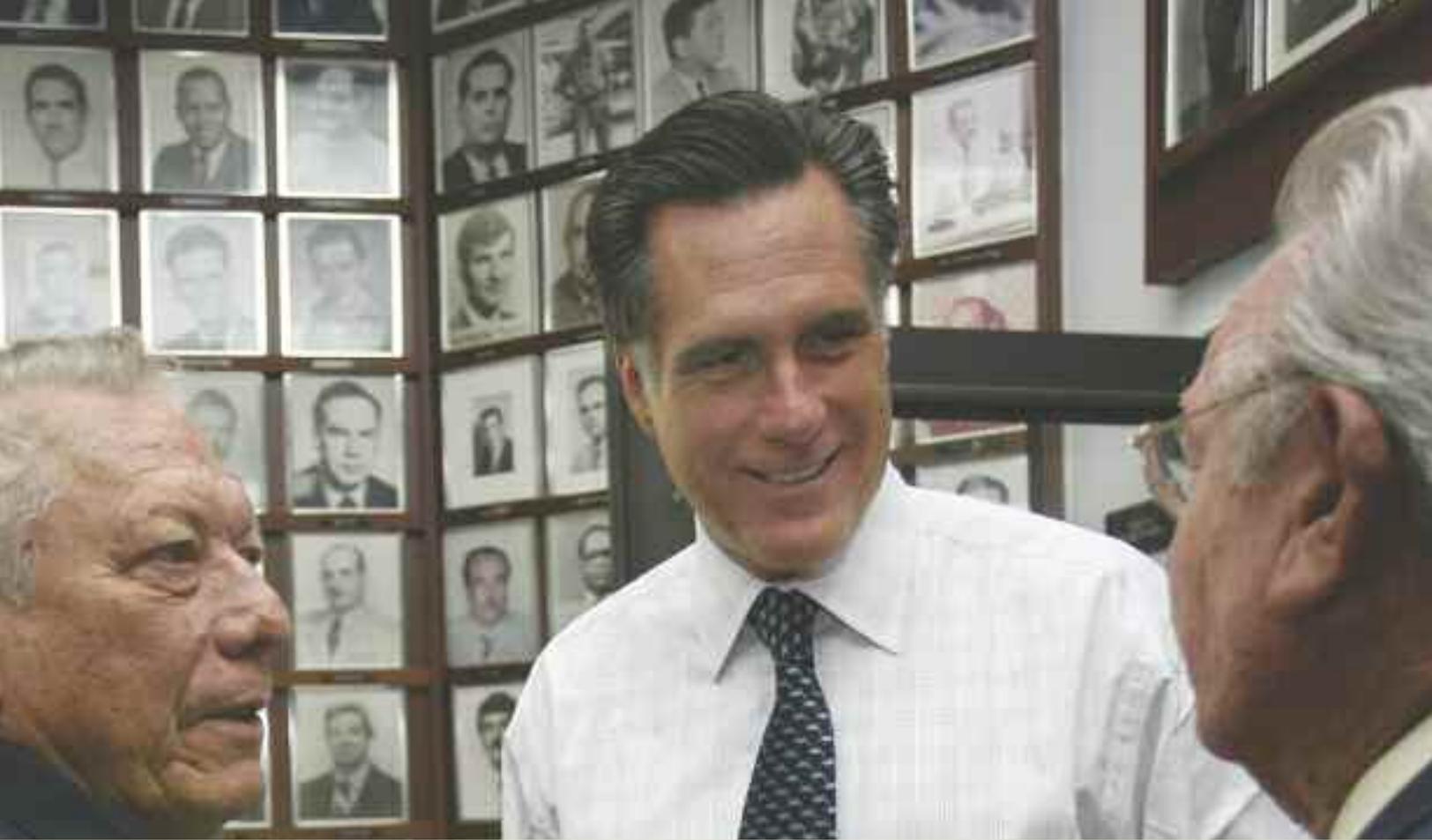
Two, Iran can be stopped.

And three, Iran will be stopped.”

(Governor Mitt Romney, Remarks At The Seventh Annual Herzliya Conference, 1/23/07)

GOVERNOR ROMNEY: “There is yet another source of Jihadist nuclear danger, beyond Iran. It’s the pursuit by Jihadists of acquiring what are commonly known as ‘loose nukes.’ The Global Initiative to Combat Nuclear Terrorism, which was launched last year, was a good start, but we need to accelerate and expand it.” (Governor Mitt Romney, Remarks At Yeshiva University, 4/26/07)

GOVERNOR ROMNEY: “...I’d promote an international initiative to develop a new body of international law that would make nuclear trafficking a crime against humanity, on a par with genocide and war crimes. And by allowing for universal jurisdiction, charges can be brought up at any court, to help prevent traffickers from hiding in complicit or weak countries. Already, people have been caught trying to smuggle nuclear materials to sell them on the black market. Their acts shouldn’t be dismissed with the kind of nonchalance that sometimes accompanies routine violation of the laws.” (Governor Mitt Romney, Remarks At Yeshiva University, 4/26/07)

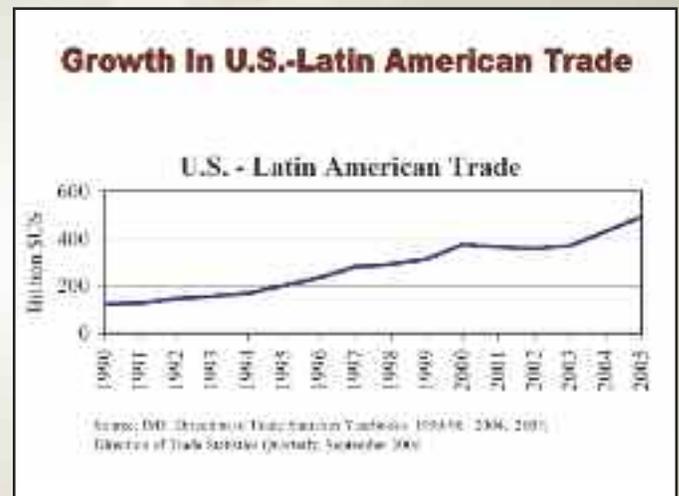


CHALLENGE #4:

Strengthening Latin American Allies And Confronting Tyrants

CHALLENGE: In two years, we will note a sobering occasion – a half century will have passed since darkness descended 90 miles to our south, and a despotic reign fell over the proud people of Cuba.

The Castros have a new tyrant to work with and he has great wealth, from oil. We must stand just as firm against tyrants like Hugo Chavez, tutored by Fidel Castro. His methodical assault on democratic institutions and his people's freedom is an insult to democracy itself. We should all be particularly troubled by the government's hostility towards a free press and actions to take Radio Caracas Television off the air. In addition, developments in Bolivia and elsewhere show the potential of Chavez's malignant form of tyranny to spread to other countries.



GOVERNOR ROMNEY: "There are two spheres of influence in the Western Hemisphere. One is dark, bellicose and spreads misery by denying people basic freedoms; the other shines like a powerful light, is peaceful and wants only for its people to live in liberty and prosper." (Governor Mitt Romney, Remarks At The Miami-Dade Lincoln Day Dinner, 3/9/2007)

Strengthening Latin American Allies And Confronting Tyrants: THE ROMNEY Plan

It is time for the United States to adopt a Latin American strategy that will strengthen human rights and freedom, that will stand by our friends and allies, that will advance our own interests, and that will weaken the threat of the Castro regime, Chavez, and any other dictator with the intent of taking away the freedom of people.

- **Continue To Isolate Castro With Economic And Diplomatic Sanctions.** America will never back down to the Castro brothers. There will be no accommodation, no appeasement. There will be no end to our insistence that political prisoners are set free, and that Cubans themselves are finally given the privileges that today are enjoyed only by Castro's cronies, and by foreign tourists. After 50 years, with so much suffering, so much sacrifice, we will not relent until the day when the Castro brothers meet their ignominious end and their history is written among the world's most reviled despots, tyrants and frauds.
- **Help Our Friends.** Foreign aid and foreign investments must be focused on those who stand alongside us. In spite of great progress over the last few decades, tens of millions in the Western Hemisphere still live in poverty. United States aid and investment programs promote transparency and the economic and political reforms needed to spur development.
- **Act To Inform Public Opinion In Latin America.** We should use our world renowned media and communications savvy to spread the truth about American freedom, and Castro tyranny. New strong-men ('caudillos') must not reverse the Hemisphere's hard-fought economic and political freedoms. The United States and our partners in the region must continue to reject the policies of leaders such as Venezuela's Hugo Chavez that move to consolidate power, limit dissent and revert to failed socialist policies.
- **Improve Our Economic Ties.** The President has negotiated vital free trade agreements with Latin American neighbors like Peru, Colombia and Panama, but some Democrats in Congress are so beholden to their labor bosses, that they have refused to pass them. It is time to put the interests of humanity and of the nation first.
- **Rebuild Relationships Of Respect And Trust And Friendship.** Our Latin American friends must always feel welcome in the White House.

- **Solve The Problem Of Illegal Immigration By Securing The Border And Reaffirm Our Appreciation Of Legal Immigration.** We are a nation of immigrants, and they have contributed a great deal to our culture of hard work, entrepreneurship, faith in God, love of family, and respect for human life.

- **Never Ignore Latin America.** It is a great deal easier to prevent a crisis than to solve one. Since the end of the Cold War and since the terror of 9/11, America has become so preoccupied with other regions that we have forgotten our friends in our own Hemisphere. We need robust cooperation to expand opportunities in the Hemisphere and address common threats such as drug trafficking and terrorism.

GOVERNOR ROMNEY: "Through the Internet, TV, Radio Marti and other Miami radio stations that broadcast into Cuba we know that word of news and events here in the U.S. gets back to Cuba. To this daily flow of truth I would like to add my message to your own. America will never back down to the Castro brothers. There will be no accommodation, no appeasement. There will be no end to our insistence that political prisoners are set free, and that Cubans themselves are finally given the privileges that today are enjoyed only by Castro's cronies, and by foreign tourists." (Governor Mitt Romney, Remarks At The Miami-Dade Lincoln Day Dinner, 3/9/07)

GOVERNOR ROMNEY: "These are troubling times in Venezuela, as Hugo Chavez continues his methodical assault on democratic institutions and his people's freedom. I am particularly troubled by the government's hostility towards a free press and recent actions to take Radio Caracas Television off the air. There should be no doubt that the United States stands with those men and women of good will who step up to secure their God-given liberty - in Venezuela and throughout the Americas. The future of freedom and democracy in our Hemisphere also requires the friends of freedom in Latin America to speak clearly and forcefully to defend liberty, democracy and human rights." (Governor Mitt Romney, Statement On Venezuela's Independence Day, 7/05/07)

GOVERNOR ROMNEY: "It is time for the United States to adopt a Latin American strategy that will strengthen human rights and freedom, that will advance our own interests, and that will weaken the threat of the Castros and Chavez." (Governor Mitt Romney, Statement On Venezuela's Independence Day, 7/05/07)



GOVERNOR MITT ROMNEY'S REMARKS AT THE SEVENTH ANNUAL HERZLIYA CONFERENCE

TUESDAY, JAN 23, 2007

Herzliya, Israel

"Thank you, Ron. It's an honor to be here today. I appreciate that introduction. Thank you also Uzi Arad for all you and Ron do together to make this conference possible. It's good to be with you today at the Herzliya Conference. It's been a busy day for me today. I began with breakfast with Mel Sembler here in Jerusalem, saw the sun rise, and then along with friends, we traveled together to the border with Gaza, and then helicoptered to Alfe Menashe and then we helicoptered further to the Lebanese border. And we just made it in a few moments ago.

"I am glad to be in Israel again - in a country I love, with people I love. It's been 10 years since I was last here - then, for about 10 days or so - and the country has changed a great deal in that time. One, it's a lot greener - even more trees - more highways. I was really struck, however, by how vibrant the economy is. I must admit that as someone who spent most of his life in the private sector working with businesses, I have great respect for the ingenuity and the resilience of Israel's workers and entrepreneurs.

"But the changes are not only economic and they are not only positive.

"And it is not just that Israel that has changed - the world has changed.

"Unfortunately, many in our world have not caught up with the new strategic paradigm which we as a world face.

"In that old view, the Arab-Israeli conflict was thought of as an intractable regional conflict. One that drags on... that should be resolved... but is not part of a global threat to the world order.

"9/11 changed that. Or it should have. Contrary to the Baker-Hamilton Commission, resolving the Arab-Israeli conflict will not magically mollify the Jihadists.

"What we should have realized since 9/11 is that what the world regarded as an Israeli-Arab conflict over borders represented something much larger. It was the oldest, most active front of the radical Islamist Jihad against the entire world. It was not really about borders. It was about the refusal of many parts of the Muslim world to accept Israel's right to exist - within any borders.

"This distinction was brought into clear focus this summer. The war in Lebanon had little to do with the Palestinians. It had nothing to do with a two-state solution. It demonstrated that Israel is now facing a Jihadist threat that runs from Tehran through Damascus to Southern Lebanon to Gaza.

"As Tony Blair quite accurately put it, Hezbollah was not fighting 'for the coming into being of a Palestinian state... but for the going out of being of an Israeli state.'

"Yet I don't think we have still not fully absorbed the magnitude of the change. I think it is critical that we understand that as far as our enemies are concerned, there is just one conflict. And in this single conflict, the goal of destroying Israel is simply a weigh station toward the real goal of subjugating the entire world.

"Jihadism - violent radical fundamentalism - has emerged as this century's nightmare. It follows the same dark path as last century's nightmares: fascism and Soviet-styled communism.

"In America, the attack by al-Qaeda has led some to believe that we are threatened by a band of fanatics that live in the mountains of Afghanistan and Pakistan. They imagine that if we could only get Osama bin Laden and put him away, all this unpleasantness would simply end.

"But Jihadism is much, much greater. Jihadists are among Sunni and Shia, promoted by Hezbollah and Hamas and the Muslim Brotherhood, financed by knowing and unknowing Muslim governments, and preached to hundreds of millions in many nations. Their goal is the overthrow of moderate, modern Muslim nations and their replacement by caliphate. Their strategy is the collapse of our economy, our government, and the military of our nations.

"To their eyes, this destruction is not delusional, but possible.

"In my country, as you can imagine, the focus is overwhelmingly on Iraq these days, and that's very much understandable and appropriate. We have some 140,000 men and women there, and there are more on the way, as you know. And we are suffering casualties. Indeed, as you probably saw over the weekend, this has been a particularly painful time for the United States just over the

last several days. Thousands of American families continue to make the greatest sacrifice for security in Iraq. And for whatever mistakes America has made and the challenges which we now have before us, we must remain absolutely committed to making every effort for success there.

"And on that point, I would just like to make another additional thought. And that is that there are some Congressional leaders in the United States right now that are arguing that the President is not authorized to allow our forces in harm's way to pursue Iranian elements inside Iraq - which are attacking our own troops. That is simply folly.

"But today, I wish to focus on the regime that has become the heart of the Jihadist threat - Iran. I believe that Iran's leaders and ambitions represent the greatest threat to the world since the fall of the Soviet Union, and before that, Nazi Germany.

"Ahmadinejad has gone well beyond the boundary of outrage, beginning with his calculated desecration of history. Indeed, when he denies the Holocaust, he could care less about history - his point is about the present and the future. His purpose is not to deny the Holocaust, but to deny Israel. He is testing the waters. He wants to know who will object. And how will they register their objection.

"The Iranian regime threatens not only Israel, but also every other nation in the region, and ultimately the world. And that threat would take on an entirely new dimension if Iran were allowed to become a nuclear power. And just think of the signal a nuclear Iran would send to other rogue regimes with nuclear ambitions - this could be the tipping point in the development and proliferation of nuclear regimes.

"How should the civilized world respond to this challenge?

"Our first task should be to dispense with three major schools of wishful thinking:

"The first school concedes that Iran must not be allowed to go nuclear. But that's where the certainty ends. Beyond that recognition, there is only hope - hope that Iran's weakening economy and political rivalries will yield a change in the government's leadership. We're all hopeful, but that's not a strategy.

"The second assumes that it's possible to live with a nuclear Iran. That thinking is based on the theory that Iran, once

granted the privilege of joining the nuclear club, will be a responsible actor.

"Neither their words nor their records justify that conclusion.

"The third school believes in the logic of deterrence, which served us through the Cold War, and they think it will apply to Iran. But for all of the Soviets' deep flaws, they were never suicidal. A Soviet commitment to national survival was never in question. This assumption simply cannot be made about an irrational regime that celebrates martyrdom.

"Each of these three schools of thought represents a rationale for inaction, rather than a strategy for success.

"Each would in all likelihood yield the same result - an Iran that is nuclear, threatening the world, or worse. They should be rejected. And they should be replaced with an understanding of two fundamental realities:

- 1) Iran must be stopped*
- 2) Iran can be stopped*

"It's inconceivable to me that some could think otherwise. Their view has to be based upon disbelief - disbelief that Iran's regime means what it says.

"Few believed that Hitler meant what he said when he called for the destruction of the Jewish people in Mein Kampf.

"Few believed what Osama bin Laden said, and then came 9/11.

"As you know, the 9/11 Commission found numerous failures on our part - failures of intelligence, failures of coordination and communication, failures of analysis. But they found that the most critical failure was this: a 'failure of imagination.' Americans simply could not believe that people would crash airplanes full of innocent people into buildings full of innocent people.

"Since these things happened, can we really dismiss horrific threats as mere rhetoric?

"A nuclear Iran is unacceptable because, as Defense Secretary Robert Gates pointed out in his confirmation hearings, we have no way of guaranteeing that Iran will not use a nuclear weapon.

"Many people do understand that Iran must be stopped, but they just don't think it's possible. They see the modest

sanctions that the UN took three years to produce. They see Russia refusing to end its cooperation with Iran's nuclear program. They conclude that the UN Security Council will never produce sanctions tough enough - and soon enough - to stop Iran.

"What is less appreciated, however, is what the U.S. and Europe can do. Yes, we should continue to encourage China and Russia to work with us at the UN Security Council. And from my meetings in Israel over the past few days, and in China a couple of months ago, I have reason to be more optimistic about the role China can play.

"But we can't sit idle while we wait for more cooperation: The U.S. and Europe can do much more to exploit the vulnerabilities of Iran's regime.

"In considering a strategy, I think we have to remember that the government and the clerics in Iran are not the sole center of power there. The people of Iran also represent a major source of power. By and large, they have not been as radicalized by their government and clerics. They fear economic stagnation and they fear political repression. Most are not seeking a military confrontation with the West. Indeed, most want greater engagement with the West - there's a reason, for example, why there are more than 75,000 bloggers active in Iran today. A successful strategy on our part has to consider and encompass the people of Iran, as well as their leaders.

"That being said, let me just talk for a moment about a strategy which I think should be pursued. It includes five major dimensions:

"First, we should continue to tighten the economic sanctions. Our model should be at least as severe as the sanctions we imposed on Apartheid South Africa. We should demand no less from the international community today than we gave then.

"The Bush Administration, I believe, deserves credit for the efforts it's made on the economic track so far. The Administration's campaign to deny Iran access to the international banking system is crucial. The U.S. and Europe should ensure that Iran finds it very difficult to obtain credit - very difficult to make purchases in foreign currencies.

"We also have to be imaginative in the way we pressure Iran

economically and send a message to its leaders and its people that the world is not happy. In my meetings in Israel this week, I have become aware of a potential U.S. pension system to further isolate the Iranian economy. We should explore a selective disinvestment policy. After a series of briefings here, I actually contacted the Treasurer of my own state of Massachusetts and the Governors of some of the neighboring states to begin this process. They are going to begin meeting today with senior Israeli leaders that are in Boston today.

"Second, we need to impose diplomatic isolation of Iran's Government. Ahmadinejad should not be provided the trappings, and respect, and recognition of a responsible head of state as he travels. In fact, when former Iranian President Khatami traveled to Boston last year to lecture at Harvard University, I denied him state police security for his visit. Of course, the real question is: why did Harvard invite him in the first place? I was in another foreign capital traveling and I saw a 707 I believe it was and flags draped along the passageway from the doorway all the way to the terminal, flags a red carpet, and I asked, 'Who's that?' And they said, 'Oh President Ahmadinejad is here visiting.' And I thought 'Is that the kind of welcome for a man who says what he said?' I don't believe that's what should happen in this country, in this world. Ahmadinejad, of course, is even more strident and violent spokesman than Khatami was. He should neither be invited to foreign capitals nor feted by foreign leaders. This would have an important symbolic significance, not just to Ahmadinejad, but to the people of Iran. The message must be heard loud and clear.

"Diplomatic isolation should also include an indictment of Ahmadinejad for incitement to genocide under the Geneva Convention, excuse me the Genocide Convention. The United States should lead this effort.

"The full title of the Genocide Convention is the Convention on the Prevention and Punishment of the Crime of Genocide. Remember that word: Prevention.

"Article III of the treaty establishes 'public incitement to commit genocide' as a punishable crime. Every signatory to this treaty shares an obligation to enforce it. So do human rights groups that care about international humanitarian law.

"Nobel Prize Winner Elie Wiesel, and human rights advocate



and former Canadian Justice Minister Irwin Cotler have spoken out on this issue.

“In addition, former U.S. Ambassador John Bolton has been a forceful advocate for this effort, and he’s joined by Alan Dershowitz. If these two can agree, there must be something to it.

“Third, Arab states must join this effort to prevent a nuclear Iran. These states can do much more than wring their hands and urge America to act. They should support Iraq’s nascent government, they can help America’s focus on Iran by quickly turning down the temperature of the Arab-Israeli conflict, stopping the financial and weapons flows to Hamas and Hezbollah, thawing relations with Israel, and telling the Palestinians they must drop terror and recognize Israel’s right to exist.

“Fourth, we have to make it clear that while nuclearization may be a source of pride to the Iranian people, it also should be considered as a source of peril. The military option remains on the table. And further, any people should know that if nuclear material their own nation develops falls into the hands of terrorists and would be used that would surely provoke a devastating response from the civilized world to any who provided that fissile material.

“Fifth, our strategy should be integrated into a broad approach to the broader Muslim world. I agree with our friend, former Prime Minister Aznar of Spain, that a central purpose of NATO should be to defeat radical Islam. And I believe this has two critical dimensions. On the one hand, is an unquestionably capable military. That’s key. That’s at the heart of things. That will mean a greater investment by the United States as well as other nations. But there’s a second dimension as well. It’s what I’ll call a partnership for progress - a global partnership which includes NATO and other allies. Its mission would be to support progressive Muslim communities and leaders in every nation where radical Islam is battling modernity and moderation. This Partnership for Prosperity should help

provide the tools and funding necessary for moderates to win the debate in their own societies. They need secular public schools, not Wahhabi schools, micro-credit and banking, the rule of law, adequate health care, human rights, and competitive economic policies. In the final analysis, only Muslims will be able to permanently defeat radical Islam. But we can and should help.

“We should remember that in the two other global confrontations with totalitarianism in the past century, it was not always obvious that the West would prevail. Indeed, in those conflicts, the balance of power was not always in the West’s favor. Those were wars we could have lost, but we did not.

“In the current conflict, the balance of forces is not nearly as dangerously close as it was during the moments of World War II and the Cold War. There is no comparison between the economic, diplomatic, and military resources of the civilized world and the weak terrorist states that threaten us.

“In those previous global wars, there were many ways to lose, and victory was far from guaranteed. In the current conflict, there is only one way to lose, and that is if we as a civilization decide not to lift a finger to defend ourselves, our values, and our way of life.

“It is time for the world to plainly speak three truths:

One, Iran must be stopped.

Two, Iran can be stopped.

And three, Iran will be stopped.

“Thank you so much.” ■



RIISING TO A NEW GENERATION OF GLOBAL CHALLENGES

By Mitt Romney

Foreign Affairs, Jul/Aug 2007, Reprinted with permission.

Washington Divided

Less than six years after 9/11, Washington is as divided and conflicted over foreign policy as it has been at any point in the last 50 years. Senator Arthur Vandenberg once famously declared that “politics stops at the water’s edge”; today, the chair of the House Foreign Affairs Committee declares that our major political parties should carry out two separate foreign policies. The Senate unanimously confirmed General David Petraeus, who pledged to implement a new strategy, as the commander of U.S. forces in Iraq. Yet just weeks later, the Senate began crafting legislation specifically designed to stop that new strategy. More broadly, lines have been drawn between those labeled “realists” and those labeled “neoconservatives.” Yet these terms mean little when even the most committed neoconservative recognizes that any successful policy must be grounded in reality and even the most hardened realist admits that much of the United States’ power and influence stems from its values and ideals.

In the midst of these divisions, the American people — and many others around the world — have increasing doubts about the United States’ direction and role in the world. Indeed, it seems that concern about Washington’s divisiveness and capability to meet today’s challenges is the one thing that unites us all. We need new thinking on foreign policy and an overarching strategy that can unite the United States and its allies — not around a particular political camp or foreign policy school but around a shared understanding of how to meet a new generation of challenges.

A Generation’s Legacy Of Leadership

Today’s challenges are daunting. They include the conflict in Iraq, the resurgence of the Taliban, and global terrorist networks made even more menacing by the threat of nuclear proliferation. While Iran’s leaders relentlessly pursue nuclear weapons capabilities and spout genocidal threats against Israel, the world largely stands silent, unable to agree on effective sanctions even as each day the danger grows. Genocide ravages Darfur even as the world stands frozen. In Latin America, leaders such as Venezuelan President Hugo Chavez seek to reverse the spread of freedom and return to failed authoritarian policies. AIDS and potential new pandemics threaten us in an interconnected

world. The economic rise of China and other countries across Asia poses a different type of challenge. It is easy to understand why Americans — and many others around the world — feel so much unease and uncertainty. Yet although we face fundamentally different issues today, the United States has a history of rising to meet even greater challenges. Indeed, we need not look to ancient history, but only to the courage and determination of our parents and grandparents to see a stark contrast with the confusion and infighting of Washington today. Just over 60 years ago, we were in the midst of a global war that would take the lives of tens of millions. The outcome was far from certain. General Dwight Eisenhower drafted a short note before the D-day landings at Normandy accepting full responsibility “in case of failure.”

The invasion did not fail. Yet no sooner had we defeated fascism than we were engaged in a 50-year struggle with communism. Those whom the journalist Tom Brokaw memorialized as “the greatest generation” made the tough choices that allowed us to prevail in these struggles. And it was not just our Washington leaders who were decisive. In the 1940s, Americans rationed and saved, and mothers and daughters enlisted to work in factories. Together with the GIs who returned home, they built this country’s prosperity and fueled a sense of optimism. In the 1960s, 1970s, and 1980s, America pursued learning and innovation to lead the world in space, technology, and productivity — outcompeting the Soviets and driving them to an economic bankruptcy that matched their moral bankruptcy.

In the aftermath of World War II and with the coming of the Cold War, members of “the greatest generation” united America and the free world around shared values and actions that changed history. They unified U.S. military and security efforts, creating the Department of Defense and the National Security Council. They rethought U.S. approaches to the world, building the U.S. Agency for International Development, the Office of the U.S. Trade Representative, and the Peace Corps. They forged alliances, such as NATO, that magnified the power of freedom and created a world trading system that helped launch the greatest expansion of economic and political freedom and development in history. Our times call for equally bold leadership and for a renewed sense of service and shared sacrifice among Americans and our allies around the world.

A New Generation Of Challenges

Today, the nation's attention is focused on Iraq. All Americans want U.S. troops to come home as soon as possible. But walking away now or dividing Iraq up into parts and walking away later would present grave risks to the United States and the world. Iran could seize the Shiite south, al-Qaeda could dominate the Sunni west, and Kurdish nationalism could destabilize the border with Turkey. A regional conflict could ensue, perhaps even requiring the return of U.S. troops under far worse circumstances. There is no guarantee that the new strategy pursued by General Petraeus will ultimately succeed, but the stakes are too high and the potential fallout too great to deny our military leaders and troops on the ground the resources and the time needed to give it an opportunity to succeed.

Many still fail to comprehend the extent of the threat posed by radical Islam, specifically by those extremists who promote violent Jihad against the United States and the universal values Americans espouse. Understandably, the nation tends to focus on Afghanistan and Iraq, where American men and women are dying. We think in terms of countries because countries were our enemies in the last century's great conflicts. The congressional debate in Washington has largely, and myopically, focused on whether troops should be redeployed from Iraq to Afghanistan, as if these were isolated issues. Yet the Jihad is much broader than any one nation, or even several nations. It is broader than the conflicts in Afghanistan and Iraq, or that between the Israelis and the Palestinians. Radical Islam has one goal: to replace all modern Islamic states with a worldwide caliphate while destroying the United States and converting all nonbelievers, forcibly if necessary, to Islam. This plan sounds irrational, and it is. But it is no more irrational than the policies pursued by Nazi Germany in the 1930s and 1940s and Stalin's Soviet Union during the Cold War. And the threat is just as real.

In the current conflict, the balance of forces is not nearly as close as during the early days of World War II and at critical points during the Cold War. There is no comparison between the economic, diplomatic, technological, and military resources of the civilized world today and those of the terrorist organizations and states that threaten it. Perhaps most important is the incredible resourcefulness of the American people and their unmatched education, inventiveness, and dedication. But today's threats are fundamentally different

from those we grew used to confronting during World War II and the Cold War. Our enemies now have sleeper cells rather than armies. They use indiscriminate terror rather than tanks. Their soldiers — as well as their victims — include children. They count radical clergy among their generals. They communicate via the Internet. They recruit in schools, houses of worship, and prisons. They pursue nuclear weapons not as a strategic deterrent but as an offensive tool of terror.

The Jihadist threat is the defining challenge of our generation and is symptomatic of a range of new global realities. It is common to the point of cliché to talk about how much the world has changed since 9/11. Our president led a dramatic response to the events of that day and has taken action to protect the U.S. homeland. Yet if one looks at our tools of national power, what is surprising is not how much has changed since then but how little. While we wage wars in Afghanistan and Iraq, U.S. troop levels and our investment in the military as a percentage of GDP remain lower than at any time of major conflict since World War II. Decades after the oil shocks of the 1970s highlighted the United States' vulnerability, we remain dangerously dependent on foreign oil. Many of our instruments of national security were created not only before most Americans had access to the Internet and cell phones but also before they had televisions. Our difficulties in Iraq and Afghanistan, along with disturbing gaps in our intelligence, are well known. A growing number of experts question whether we have the capabilities to meet various transnational challenges, ranging from pandemic diseases to international terrorism. And while the United Nations has stood impotent in the face of genocide in Sudan and has been unable to address Iran's rush to build dangerous nuclear capabilities, we have done little more than tweak international alliances and antiquated institutions.

While the difficult struggle in Iraq dominates the political debate, we cannot let current polls and political dynamics drive us to repeat mistakes the United States has made at critical moments of doubt and uncertainty about our role in the world. Twice in the last several decades, following the end of U.S. military involvement in Vietnam and the end of the Cold War in the 1990s, the United States became dangerously unprepared. Today, among our main challenges are an Iranian regime and an al-Qaeda network that developed while we let down our defenses. Whether or not the current "surge" in troop levels in Iraq succeeds, the United States and our allies need to be prepared to deal not only with the struggle against

Jihadists but with a new generation of challenges that go far beyond any single nation or conflict.

We need an honest debate about what policies and what sacrifices will ensure a strong America and a safe world. As President Ronald Reagan once observed, “There have been four wars in my lifetime. None of them came about because the United States was too strong.” A strong America requires a strong military and a strong economy. And we need to take further action if we are to remain strong and if we are to build a safe world, with peace, prosperity, freedom, and dignity. Doing so will be controversial, and it will be strongly resisted because it will require dramatic changes to Cold War institutions and approaches. The Cold War is over, and the world that too many of our current capabilities and alliances were created to address no longer exists. We cannot remain mired in the past.

Change is difficult in and of itself. And it is especially hard to summon the will necessary to set a new course in the absence of a clear and convincing crisis. Look at how long it took the U.S. government to confront the reality of Jihadism. Extremists bombed our marines in Lebanon. They bombed our embassies in East Africa. They bombed the U.S.S. Cole. They even set off a bomb in the basement of the World Trade Center before we truly saw the threat they posed.

Change will require sacrifice from the American people. But I believe America is ready for the challenge. To meet it, we need to focus on four key pillars of action.

Building U.S. Military And Economic Strength

First, we need to increase our investment in national defense. This means adding at least 100,000 troops and making a long-overdue investment in equipment, armament, weapons systems, and strategic defense. The need to support our troops is repeated like a mantra in Washington. Yet little has been said about the commitment of resources needed to make this more than an empty phrase.

After President George H. W. Bush left office, in 1993, the Clinton Administration began to dismantle the military, taking advantage of what has been called a “peace dividend” from the end of the Cold War. It took a dividend, but we did not get the peace. It seems that our leaders had come to believe that war and security threats were gone

forever; as Charles Krauthammer observed, we took a holiday from history. Meanwhile, we lost about 500,000 military personnel and about \$50 billion a year in military spending. The U.S. Army lost four active divisions and two reserve divisions. The U.S. Navy lost almost 80 ships. The U.S. Air Force saw its active personnel decrease by 30 percent. The Marines’ personnel dropped by 22,000.

And we purchased only a small fraction of the equipment needed to maintain our strength, living off the assets that had been purchased in prior decades. The equipment and armament gap continues to this day. Even as we have increased defense spending to meet the challenges in Iraq and Afghanistan, our budgets for procurement and modernization have lagged behind. This is a troubling scenario for the future, and it puts our country and our troops — present and future — at risk, as we wring the life out of old and inadequate equipment.

The Bush Administration has proposed an increase in defense spending for next year. This is an important first step, but we are going to need at least an additional \$30-\$40 billion annually over the next several years to modernize our military, fill gaps in troop levels, ease the strain on our National Guard and Reserves, and support our wounded soldiers. Looking at military spending over time as a percentage of GDP provides an interesting perspective. During World War II, the United States made huge sacrifices, investing more than a third of its economic activity to fight the war. As we confronted different enemies, such as those in Korea, our investment in defense responded accordingly. Since then, slowly but surely, it has decreased significantly. Through the buildup under President Reagan, it reached six percent of GDP in 1986 and helped turn the tide against the Soviet Union. Yet during the Clinton years, defense spending was dangerously reduced. More recently, although spending has increased, less than four percent of our GDP has been devoted to baseline defense spending. These ebbs and flows stemming from political dynamics have increased the costs and the uncertainty of our military preparedness.

The next president should commit to spending a minimum of four percent of GDP on national defense. Increased spending should not mean increased waste, however. A team of private-sector leaders and defense experts should carry out a stem-to-stern analysis of military purchasing. Accounts need to be thoroughly scrutinized to eliminate



Development and Commercialization of Soybean Oil Bioplastics

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Presented by: [Name], [Name], [Name]

Abstract



Introduction

Bioplastics are a sustainable alternative to traditional plastics, derived from renewable resources like soybean oil. This project aims to develop and commercialize bioplastics from soybean oil.

Experimental

The experimental process involves the extraction of soybean oil, followed by the synthesis of bioplastics using various chemical reactions and conditions.

Characterization

The resulting bioplastics were characterized using techniques such as FTIR, NMR, and DSC to determine their chemical structure and thermal properties.

Conclusion

The study successfully demonstrated the development and commercialization of soybean oil bioplastics, showing their potential as a sustainable alternative to traditional plastics.

excessive contractor and supplier charges and prevent deals for equipment and programs that do more for politicians' popularity in their home districts than for the nation's protection. Congress needs to set stricter lobbying rules and keep a far more watchful eye on self-serving politicians, current and past, in regard to these matters.

The United States' strength goes beyond its military capacity. Indeed, a nation cannot remain a military superpower if it has a second-tier economy. The weakness of the Soviet economy was a vulnerability that President Reagan exploited. Our ability to influence the world also vitally depends on our ability to maintain our economic lead through policies such as smaller government, lower taxes, better schools and health care, greater investment in technology, and the promotion of free trade, while maintaining the strength of America's families, values, and moral leadership.

Energy Independence

Second, the United States must become energy independent. This does not mean no longer importing or using oil. It means making sure that our nation's future will always be in our hands. Our decisions and destiny cannot be bound to the whims of oil-producing states.

We use about 25 percent of the world's oil supply to power our economy, but according to the Department of Energy, we possess only 1.7 percent of the world's crude oil reserves. Our military and economic strength depend on our becoming energy independent -- moving past symbolic measures to actually produce as much energy as we use. This could take 20 years or more; and, of course, we would continue to purchase fuel after that time. Yet we would end our strategic vulnerability to oil shutoffs by nations such as Iran, Russia, and Venezuela and stop sending almost \$1 billion a day to other oil-producing nations, some of which use the money against us. At the same time, we may well be able to rein in our greenhouse gas emissions.

Energy independence will require technology that allows us to use energy more efficiently in our cars, homes, and businesses. It will also mean increasing our domestic energy production with more drilling offshore and in the Arctic National Wildlife Refuge, more nuclear power, more renewable energy sources, more ethanol, more biodiesel, more solar and wind power, and a fuller exploitation of coal.

Shared investments or incentives may be required to develop additional and alternative sources of energy.

We need to initiate a bold, far-reaching research initiative -- an energy revolution -- that will be our generation's equivalent of the Manhattan Project or the mission to the moon. It will be a mission to create new, economical sources of clean energy and clean ways to use the sources we have now. We will license our technology to other nations, and, of course, we will employ it at home. It will be good for our national defense, it will be good for our foreign policy, and it will be good for our economy. Moreover, even as scientists still debate how much human activity impacts the environment, we can all agree that alternative energy sources will be good for the planet. For any and all of these reasons, the time for energy independence has come.

Rethinking And Reenergizing Civilian Capabilities

Third, we need to dramatically and fundamentally transform our civilian capabilities to promote peace, security, and freedom around the world. After World War II, America created capabilities and structures -- such as the National Security Council, the Department of Defense, and the U.S. Agency for International Development -- to meet the challenges of a world that was radically different from that of the 1930s. In the Reagan era, the Goldwater-Nichols Act helped tear down bureaucratic boundaries that were undermining our military effectiveness, fostered unified efforts across military services, and established "joint commands," with an individual commander fully responsible for everything going on within his or her geographic region. We need the same level of dramatic rethinking and reform that took place at these critical junctures.

Today, there is no such unity among our international nonmilitary resources. There is no clear leadership and no clear line of authority. Too often, we struggle to integrate our nonmilitary instruments into coherent, timely, and effective operations. For instance, even as we face the need to strengthen the democratic underpinnings of a country such as Lebanon, our resources in education, health, banking, energy, commerce, law enforcement, and diplomacy are spread across separate bureaucracies and are under separate leadership. As a result, we have had to look on as Hezbollah has brought health care and schools to areas of Lebanon. And guess who the people followed when the conflict between Israel and Lebanon broke out last

summer? Likewise, the popularity of Hamas in Gaza and the West Bank should be no surprise given that the group has provided Palestinians with the basic services that neither the international community nor the Palestinian government could deliver.

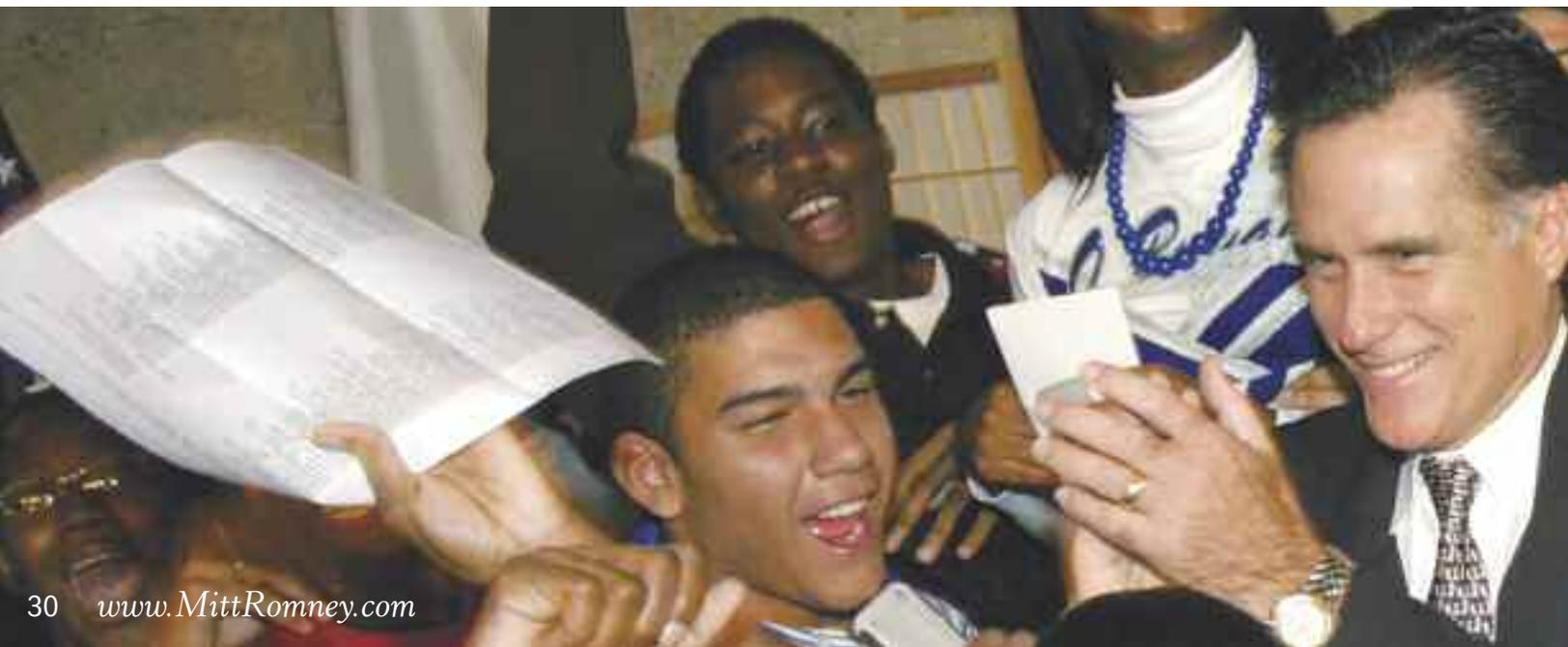
The problem has been just as evident in Iraq. In 2003, while the U.S. military moved in rapid order to topple Saddam Hussein, many of our nonmilitary resources seemed stuck in tar. Then, even as we were taking casualties and spending over \$7 billion a month on the war, U.S. civilian authorities were fighting over which agency was going to pay their employees' \$11 daily food allowance. In response to these problems, the White House has sought to give to a single individual the authority to oversee all the agencies operating in Iraq and Afghanistan. Yet broad interagency challenges remain and continue to stymie our efforts not only in these areas but around the world.

It is time to move beyond the current limited approaches that call for "transformation" and truly transform our interagency and civilian capabilities. We need to fundamentally change the cultures of our civilian agencies and create dynamic, flexible, and task-based approaches that focus on results rather than bureaucracy. We need joint strategies and joint operations that go beyond the Goldwater-Nichols Act to mobilize all areas of our national power. Just as the military has divided the world into regional theaters for all of its branches, the work of our civilian agencies should be organized along common

geographic boundaries. For every region, one civilian leader should have authority over and responsibility for all the relevant agencies and departments, similar to the single military commander who heads U.S. Central Command. These new leaders should be heavy hitters, with names that are recognized around the world. They should have independent objectives, budgets, and oversight. Their performance should be evaluated according to their success in promoting America's political, military, diplomatic, and economic interests in their respective regions and building the foundations of freedom, democracy, security, and peace.

Revitalizing And Strengthening Alliances

Finally, we need to strengthen old partnerships and alliances and inaugurate new ones to meet twenty-first-century challenges. The inaction, if not the breakdown, of many Cold War institutions has made many Americans skeptical of multilateralism. Nothing shows the failures of the current system more clearly than the UN Human Rights Council, an entity that has condemned the democratic government of Israel nine times while remaining virtually silent on the serial human rights abuses of the governments of Cuba, Iran, Myanmar, North Korea, and Sudan. In the face of such hypocrisy, it is understandable that some Americans would be tempted to favor unilateralism. But such failures should not obscure the fact that the United States' strength is amplified when it is combined with the strength of other nations. Whether diplomatically, militarily, or economically, the United States is stronger when its friends stand alongside it.



In the changing world we face, our alliances and engagement must change, too. Clearly, the United Nations has not been able to fulfill its founding purpose of providing collective security against aggression and genocide. Thus, we need to continue to push for reform of the organization. Yet where institutions are fundamentally incapable of meeting a new generation of challenges, the United States does not have to go it alone. Instead, we must examine where existing alliances can be strengthened and reinvigorated and where new alliances need to be forged. I agree with former Spanish Prime Minister José María Aznar that we should build on the NATO alliance to defeat radical Islam. We need to work with our allies to pursue Aznar's call for greater coordination in military, homeland security, and nonproliferation efforts.

The challenges we now face — especially terrorism, genocide, and the spread of weapons of mass destruction — require global networks of intelligence and law enforcement. We should also look for new ways to strengthen regional cooperation and security partnerships with responsible actors in order to confront challenges such as the genocide in Darfur. And if the UN Human Rights Council continues to be inactive or behave hypocritically, we should unite with nations that share our commitment to defending human rights in order to promote change.

In no area is our leadership more important and more urgently needed than the Islamic world. Today, the Middle East is facing a demographic crisis: over half the population

there is under 22 years old, and the GDP of all Arab nations put together remains lower than that of Spain. A growing population and a lack of jobs create fertile ground for radical Islam. The Marshall Plan showed our deep understanding that winning the Cold War would depend on far more than the strength of our military. The situation we face today is dramatically different from the one we faced in the wake of World War II. Yet it requires the same type of political attention and resolve we exhibited then. Today, thousands of Americans, such as former Senator Bill Frist, are helping to alleviate problems in the vulnerable parts of Africa and the Middle East, showing that we are a compassionate people. And other leaders in this effort, such as the musician Bono, have highlighted the need to address problems far from one's borders in today's interconnected world. Recent government efforts such as the Middle East Partnership Initiative, the Broader Middle East and North Africa Initiative of the G-8, and the Forum for the Future are a start, but they have garnered nowhere near the degree of attention, resources, and commitment necessary to address such serious problems.

If elected, one of my first acts as president would be to call for a summit of nations to address these issues. In addition to the United States, the countries convened would include other leading developed nations and moderate Muslim states. The objective of the summit would be to create a worldwide strategy to support moderate Muslims in their effort to defeat radical and violent Islam. I envision that the summit would lead to the creation of a Partnership for





Prosperity and Progress: a coalition of states that would assemble resources from developed nations and use them to support public schools (not Wahhabi madrasas), micro-credit and banking, the rule of law, human rights, basic health care, and free market policies in modernizing Islamic states. These resources would be drawn from public and private institutions and from volunteers and nongovernmental organizations.

A critical part of this effort would involve creating new trade and economic opportunities for the Middle East that could be powerful forces, not only economically, but also in breaking down barriers to cooperation on even the most intractable problems. Muslim countries pursuing free-trade agreements with the United States, for example, have dismantled all aspects of the Arab League's boycott of Israel. The power of trade to break down barriers and build ties is also seen in the Qualified Industrial Zone program that grants U.S. free-trade benefits to Egyptian products that incorporate materials from Israel. When the program was first suggested, some Egyptian officials balked, saying that trade with Israel would spark protests. When the program was launched, there were indeed protests – from Egyptians who were excluded from the program and wanted to participate.

Congress must give the president the authority to move forward with these efforts so that we can expand and integrate our existing free-trade agreements in the region. A critical part of the economic resurgence and peace of postwar Europe was the United States' support for a unified market and U.S. engagement in cross-country ties. Today, we must push for more integration and cross-border cooperation in the Middle East. As a group of experts working on the Princeton Project on National Security noted recently, "The history of Europe since 1945 tells us that institutions can play a constructive role in building a framework for cooperation, channeling nationalist sentiments in a positive direction, and fostering economic development and liberalization. Yet the Middle East is one of the least institutionalized regions in the world."

Few would have thought before 1945 that the war-torn and divided nations of Europe could achieve the stability and economic growth that these states know today. Some have called for developing in the Middle East a regional organization based on the Organization for Security and

Cooperation in Europe, which would build cooperation and encourage political, economic, and security reforms and integration. How these efforts would be institutionalized is a question that we must address in partnership with our friends in the region and key allies. Yet we cannot wait to address this problem.

Merely closing our eyes and hoping that Jihadism will go away is not an acceptable solution. U.S. military action alone cannot change the hearts and minds of hundreds of millions of Muslims. In the end, only Muslims themselves can defeat the violent radicals. But we must work with them. The consequences of ignoring this challenge – such as a radicalized Islamic actor possessing nuclear weapons – are simply unacceptable.

Moving Forward

The new generation of challenges we face may seem daunting. Yet confronting challenges has always made the United States stronger. The confusion and pessimism that prevail in Washington today in no way reflect the United States' legacy or underlying strengths. I believe our current generation can match the courage, dedication, and vision of "the greatest generation." I recently had the privilege of spending some time with Shimon Peres, the former prime minister of Israel. Someone asked him about the conflict in Iraq, and he said, "You need to put this in context. America is unique in the history of the world. During this last century, there was only one nation that laid down hundreds of thousands of lives of its own sons and daughters and asked for nothing for itself." He explained that in the history of the world, whenever there has been a war, winning nations have taken the land of losing ones. "America is unique," he added. "You took no land from the Germans, no land from the Japanese. All you asked for was enough land to bury your dead."

We are a unique nation, and there is no substitute for our leadership. The difficulties we face in Iraq should neither cause us to lose faith in the United States' strength and role in the world nor blind us to the new challenges we face. Our future and that of generations to come depend on our resolve to move beyond the divisiveness in Washington today and unite America and our allies to confront a new generation of global challenges. ■

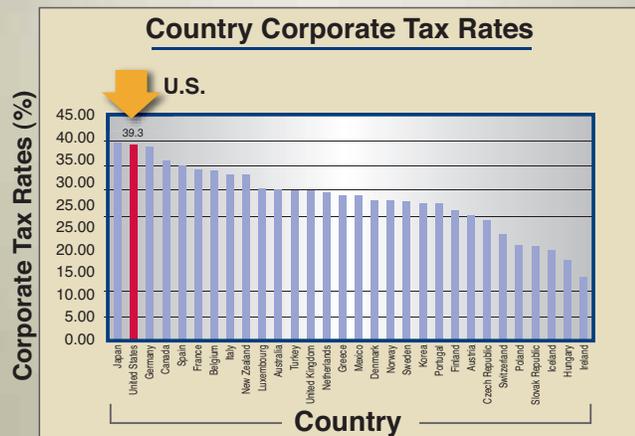
CHALLENGE #5: *Winning The Global Economic Competition*

CHALLENGE: America faces economic challenges at home and abroad. China and the rapidly developing nations of Asia are growing into stronger economic competitors. Europe has merged into a large economic bloc with a common currency. The Middle East and Russia are flush with oil money and control a vital commodity. At home, America faces the challenge of continuing to educate the workers of the future while dealing with a housing crisis and credit crunch.

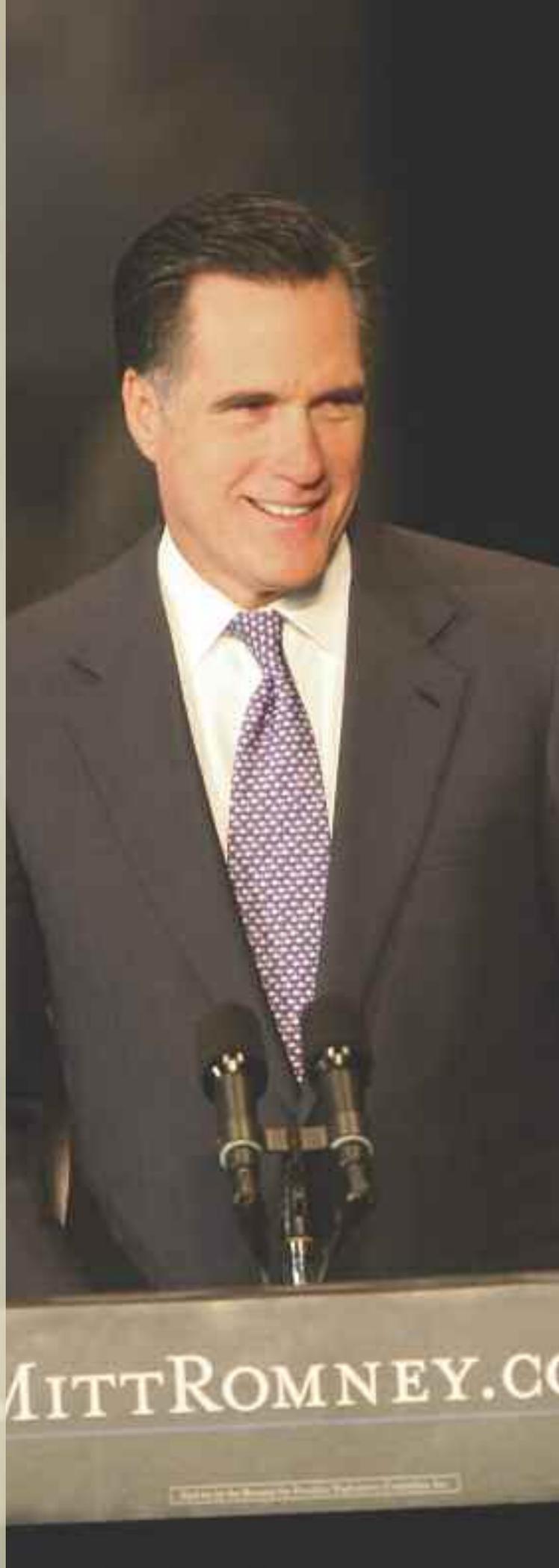
GOVERNOR ROMNEY: “Are we going to stay ahead of the world, are we going to lead the world, or are we going to instead pull up the drawbridge and try to hang on to everything we’ve got and say we can’t compete with the world?” (Ryan J. Halliday, “Romney Defends His Health-Care Plan,” *Nashua Telegraph*, 6/7/07)

GOVERNOR ROMNEY: “[W]e face a much tougher competitor or group of competitors coming from Asia than we’ve ever faced before. Asia is tough. There are a lot of Asians. They are hard working people. And they’re going to give us a run for our money in terms of our economic vitality.” (Governor Mitt Romney, Remarks At The Club For Growth, 3/29/07)

GOVERNOR ROMNEY ON THE THREAT OF EXCESSIVE TORT CLAIMS AND OVERREGULATION: “Regulations, over regulation, things like Sarbanes-Oxley. Let’s apply millions of dollars of penalty to every company in America thinking about being public. That slows down growth. Tort claims, excessive tort claims. Look, normal application of the legal process is essential and necessary for an effective economy. But excessive tort claims and runaway liability rewards retard the growth of our entire economy and slow down the success that all of our citizens enjoy.” (Governor Mitt Romney, Remarks At The Club For Growth, 3/29/07)



Source: Organization for Economic Co-operation and Development



Winning The Global Economic Competition: THE ROMNEY *Plan*

Improve America's Global Competitiveness

- **Lower The Corporate Tax Rate.** Make America's business environment competitive with the rest of the world to attract capital and encourage investment.
- **Strengthen Education.** Emphasize math and science, while promoting innovative approaches such as charter schools and public-private partnerships, to ensure American workers have the intellectual capital and skills to compete in the 21st century economy.
- **Improve Worker Retraining.** Consolidate and streamline the numerous federal programs in this area, and focus on giving workers the skills they need to succeed in a global economy.
- **Reform Our Immigration Laws.** End illegal immigration, but encourage legal immigration and streamline the system to recruit and retain highly-skilled workers and welcome the best and the brightest from around the world to our universities.

Unleash The American Economy

- **Lower Taxes For All.** Lower income tax rates across the board to reward productivity and leave more money in the economy for consumption and investment.
- **Zero Rate On Middle Class Savings.** Eliminate all taxes on interest, dividends, and capital gains for anyone with Adjusted Gross Income under \$200,000 to make it easier for the middle class to save.
- **Make The Bush Tax Cuts Permanent.** Extend the pro-growth tax cuts on income, capital gains, and dividends implemented by the Bush Administration that will otherwise expire in 2011.
- **Eliminate The Death Tax Once And For All.** Allow families to pass their hard-earned savings, and assets from businesses to farms to homes, from one generation to the next without the federal government taking a cut.

- **Provide Regulatory Relief.** Eliminate cumbersome and unnecessary regulations and bureaucracies that hinder economic growth and job creation.
- **Implement National Tort Reform.** End the frivolous lawsuits and excessive non-economic damages that burden American companies with excessive tort costs.
- **Build And Repair Transportation Infrastructure.** Invest in infrastructure projects critical to the national economy and its flow of goods and people, instead of funding home-district pork.

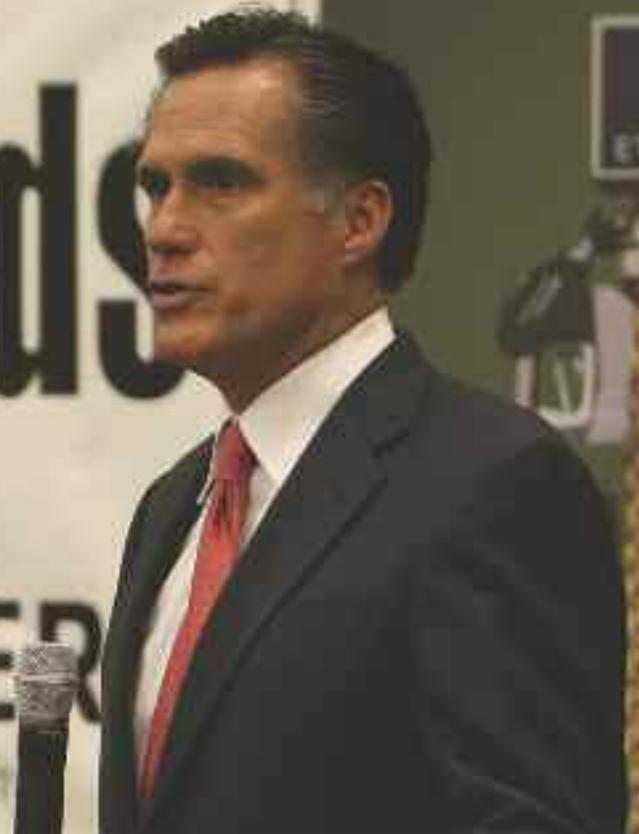
GOVERNOR ROMNEY: "Let me talk just briefly about my tax philosophy. One, I was the first candidate for president to sign the Norquist tax pledge. [Two,] of course we have to make the Bush tax cuts permanent. [Three,] of course we have to abolish the death tax. It just isn't fair to tax people twice. Well, three times. Once, when they earn it. Second, when they invest it and pay dividends or get their dividends interest and capital gains. And then a third time when they die. Four, I proposed a savings incentive plan. And this is a plan that basically says we're going to let people of moderate income save their interest, their dividends and their capital gains tax free. No tax whatsoever on capital gains, interest and dividends. Lower marginal tax rates for all Americans. Get taxes down. Make them simpler, and flatter and lower. And finally, make our corporate tax competitive with the rest of the world. That's where I'm going. That's what I'm going to fight for." (Governor Mitt Romney, Remarks At The Club For Growth, 3/29/07)

That Yields



PIONEER

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CHALLENGE #6:

Ending Our Dependence On Foreign Oil

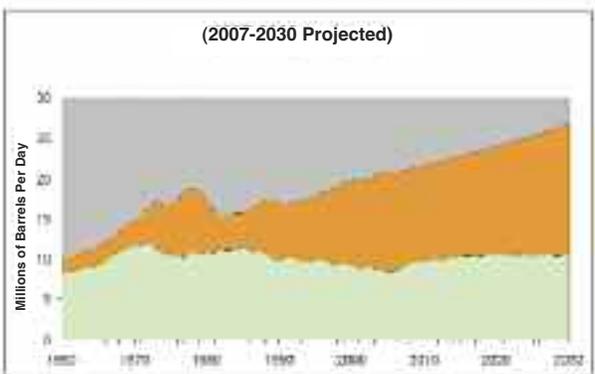
CHALLENGE: For too long, America has been entangled with and dependent on foreign suppliers of oil. Since the 1970s, Americans have endured and been vulnerable to economic shocks caused by our reliance on foreign oil. In recent years, the price of oil has tripled, putting pressure on the American economy. As long as America imports much of our oil from unstable regions and countries around the world, our national security and economic prosperity is threatened.

GOVERNOR ROMNEY: “We use about 25 percent of the world’s oil supply to power our economy, but according to the Department of Energy, we possess only 1.7 percent of the world’s crude oil reserves. Our military and economic strength depend on our becoming energy independent – moving past symbolic measures to actually produce as much energy as we use.” (Governor Mitt Romney, *Rising To A New Generation Of Global Challenges, Foreign Affairs, July/August 2007*)

GOVERNOR ROMNEY: “The United States must become energy independent. This does not mean no longer importing or using oil. It means making sure that our nation’s future will always be in our hands. Our decisions and destiny cannot be bound to the whims of oil-producing states.” (Governor Mitt Romney, *Rising To A New Generation Of Global Challenges, Foreign Affairs, July/August 2007*)

U.S. Dependence On Foreign Oil

(2007-2030 Projected)



Source: Energy Information Administration, Bureau of Energy Statistics, Annual Energy Review, 2006

Ending Our Dependence On Foreign Oil: THE ROMNEY *Plan*

Achieve Energy Independence Through Innovation

- **Provide Presidential Leadership.** Because energy independence is crucial to our economy and our national security, establish it as a top administration priority, and lead the U.S. to a future with affordable and secure energy.
- **Invest In Research.** Dramatically increase federal spending on research, development, and demonstration projects that hold promise for diversifying our energy supply and increasing our energy efficiency, such as:
 - ▲ Basic research in key technologies like improved energy storage
 - ▲ Bringing clean energy technology to market through commercialization of large-scale renewables and advanced nuclear technologies
 - ▲ Improved smart-grid technology for power distribution
 - ▲ Clean, efficient uses of existing fossil fuels, e.g. clean coal, coal-to-liquids, carbon sequestration
- **Increase Focus On Energy Security.** Shift federal priorities to emphasize issues of energy security, particularly at the Department of Energy.
- **Promote Nuclear Technology.** Accelerate construction of new nuclear power plants in order to ensure that nuclear power continues to be a part of a robust, cleaner, and reliable energy mix.
- **Increase Domestic Production.** Pursue our domestic sources of energy, drawing from our broad and diverse base of options, including opening ANWR to oil and natural gas development.

GOVERNOR ROMNEY: “I want to initiate a bold, far-reaching research initiative – an Energy Revolution, if you will. It will be our generation’s equivalent of the Manhattan Project or the mission to the Moon. This will be a mission to create new, economic sources of energy, clean energy. We will license our technology to other nations and of course we will employ it here at home. It will be good for our national defense, it will be good for our foreign policy, it will be good for our economy.” (Governor Mitt Romney, Remarks At The George Bush Presidential Library Center, 4/10/07)

GOVERNOR ROMNEY: “This kind of energy independence will also mean pursuing ample domestic sources of energy: more drilling offshore and in ANWR, nuclear power, renewable sources, ethanol, biodiesel, solar, wind, and full exploitation of coal – both solid and liquid.” (Governor Mitt Romney, Remarks At The George Bush Presidential Library Center, 4/10/07)

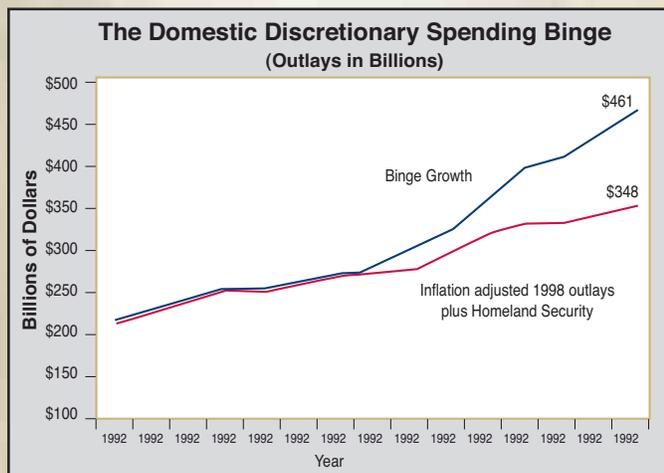
CHALLENGE #7: *Curbing Out Of Control Federal Spending*

CHALLENGE: Politicians from both parties in Washington, D.C. have spent too much money on too many programs for far too long. The American people are sick and tired of out of control federal spending. Overspending has led to deficits and an increasing national debt. The competition for pork barrel spending and the prevailing practice of out of control earmarking has contributed greatly to a culture of corruption in Washington that has tarnished both parties and led to a lack of faith and trust in America's elected representatives.

GOVERNOR ROMNEY: "I had occasions to be in the turnaround business... And I'd like to get my hands on Washington. It needs to be taken completely apart, with every program and agency evaluated for effectiveness and efficiency. Every business does that or goes bankrupt. But Washington seems to get larger and larger every year." (Peter Hecht, "Political Conversion," *Sacramento Bee*, 3/15/07)

GOVERNOR ROMNEY: "I believe that we are overtaxed and government is overfed. Washington is spending too much money." (Governor Mitt Romney, Remarks At Presidential Announcement, 2/13/07)

GOVERNOR ROMNEY: "Government is simply too big. State government is too big. The federal government is too big. It's spending too much. There's a lot we can do with efficiency and duplication. There's even more we can do by just simply cutting back on the scale of our government." (Governor Mitt Romney, Remarks At The Club For Growth, 3/29/07)



Curbing Out Of Control Federal Spending: THE ROMNEY *Plan*

Bring Fiscal Discipline And Strong Management To Washington

- **Establish Strict Spending Limits.** Veto domestic non-defense discretionary appropriations that increase spending by more than inflation minus one percent.
- **Conduct Stem-To-Stern Review.** Re-examine and evaluate all federal spending programs to identify waste, duplication, and inefficiencies that can be eliminated.
- **Reform Entitlements.** In a forthright and bipartisan manner, as President, Governor Romney will work with Congress to address the looming budget crisis caused by increasing entitlement spending.
- **Institute The Line-Item Veto.** Give the President the same power held by most state governors, to veto individual elements of a spending bill and strip out unnecessary spending.
- **Give President Flexibility.** Authorize the Executive Branch to spend up to 25 percent less than Congress appropriates for a given project or agency.
- **Restore Supermajority Requirement.** Impose congressional rule requiring a three-fifths (60%) supermajority to pass any law that would raise taxes.

GOVERNOR ROMNEY: “Let me tell you, spending can be controlled. I know how to do it. I’ve done it before. We can control earmarks. We can control pork. We can put a cap on discretionary spending. I want to get in place and do a top-to-bottom review of every agency of government. I love doing that.” (Governor Mitt Romney, Remarks At The Club For Growth, 3/29/07)

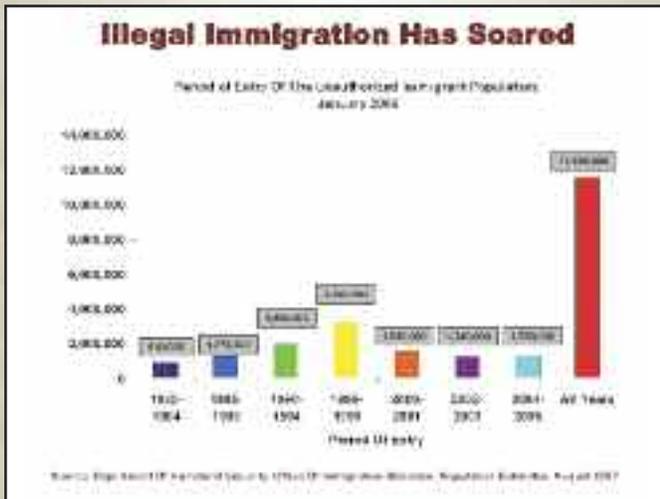
GOVERNOR ROMNEY: “What I’ve said is domestic discretionary spending I will cap at inflation less one percent – so one percent less than inflation... if I get those bills on my desk and they’re greater than that amount, I will veto them.” (Governor Mitt Romney, Remarks At The Club For Growth, 3/29/07)

GOVERNOR ROMNEY: “And I like vetoes. I vetoed a lot of things and we’ve got to have that happen. You know, people used to say to me in Massachusetts, ‘Governor, you’ve had a lot of vetoes and a lot of them get overridden. Most of them get overridden. That weakens your power.’ I said, ‘Baloney. I want people to know what I stand for. And I’m going to veto items even if that 85% [Democratic] legislature goes out and spends it, I’m going to veto it to make sure people know what is right and what is wrong for the leadership in our state.’” (Governor Mitt Romney, Remarks At The Club For Growth, 3/29/07)

CHALLENGE #8: *Ending The Tide Of Illegal Immigrants*

CHALLENGE: The number of illegal immigrants in the U.S. has exploded in the last decade from 3 million to over 12 million. The increasing tide of illegal immigration has eroded Americans' faith in the rule of law, put great pressure on our health and education systems, and compromised our national security as our ability to secure our border is questioned around the world. This tide of illegal immigration has made a mockery of our legal immigration system and been fundamentally unfair to those legal immigrants who play by the rules as they wait patiently to pursue the American dream. Sanctuary cities, in particular, attract more illegal immigrants and increase the pressure on federal law enforcement and border control.

GOVERNOR ROMNEY: "The current system puts up a concrete wall to the best and brightest, yet those without skill or education are able to walk across the border. We must reform the current immigration laws so we can secure our borders, implement a mandatory biometrically-enabled and tamper-proof documentation and employment-verification system, and increase legal immigration into America." (David Yepsen, Op-Ed, "So Far, Romney's Been Most Impressive Republican," *Des Moines Register*, 7/11/07)



Ending The Tide Of Illegal Immigrants: THE ROMNEY *Plan*

Stop Illegal Immigration

- **Secure The Border.** Follow through on Congressional commitment to build a physical and technological fence along the southern border, and secure other points of entry.
- **Implement An Enforceable Employer Verification System.** Issue a biometrically-enabled and tamper-proof card to non-citizens and create a national database for non-citizens so employers can easily verify their legal status in this country.
- **Reject Amnesty.** Do not give amnesty or any special pathway to those who have come to this country illegally.
- **Punish Sanctuary Cities.** Cut back federal funding to cities that are “sanctuaries” for illegal immigrants and refuse to comply with federal law or aid federal law enforcement.
- **Improve Interior Enforcement.** Provide resources to enforce immigration laws throughout the nation, and crackdown on employers who continue to hire illegals with stiffer fines and penalties.
- **Encourage Legal Immigration.** Streamline the system to recruit and retain skilled workers and welcome the best and the brightest from around the world to our universities.

GOVERNOR ROMNEY: “I was at the San Diego border and met with our Border Patrol agents. They told me that more than a half of those that try and come across those fences are able to do so. They said there’s no way to stop them at the border, unless you close down the magnets. And the magnets are sanctuary cities and having employers sign people up that have come here illegally to do work here. You have to end sanctuary cities. You have to cut back on federal funding to cities that continue to call themselves sanctuary cities and welcome people in, as New York has done. And you have to say to employers that hire people illegally, ‘That’s also going to be sanctioned.’ This is the way we’re going to have to finally end it. And the other key point is this, which is having amnesty and saying to individuals, as the mayor has said, if you come here and you’re willing to work here and pay taxes, we’ll sign you up. That’s not the right message. We’ve got to enforce the law, welcoming legal immigration but ending illegal immigration.” (Fox News, Republican Presidential Candidate Debate, Durham, NH, 9/5/07)



CHALLENGE #9:

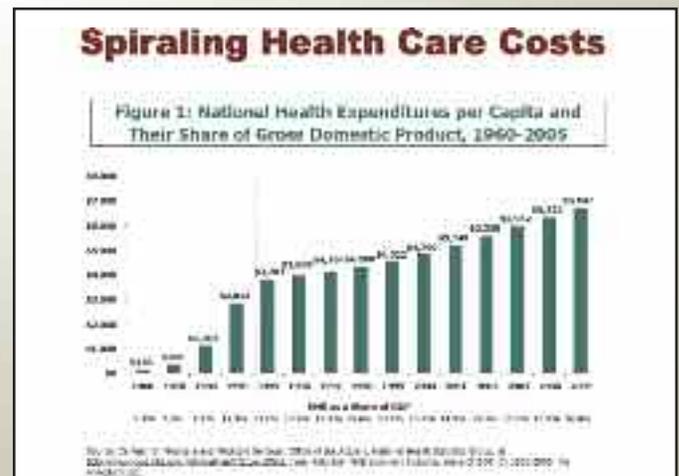
Reducing Spiraling Health Care Costs

CHALLENGE: Health care costs are spiraling out of control. Tens of millions of Americans can't afford health insurance and millions more are worried about losing their coverage. Democrats believe that the solution to these problems is a one-size-fits-all, government-run, socialized health care system – a course that threatens medical progress and restricts free markets. They think that government can do a better job of choosing a doctor and making better health care decisions than individual Americans can. Reform of our health care system must address the twin problems of high costs and the uninsured while leaving in place the elements of our system that promote creativity, innovation, and consumer choice.

GOVERNOR ROMNEY: “[W]e need to find a way to reduce the rate of growth of spending in health care in our country – it’s now 17 percent of our GDP. When I was a consultant in the insurance industry, some years ago in the 1980s, it was 11 percent. The idea it would get to 17 percent was unthinkable. And it continues to move northward.” (Governor Mitt Romney, Remarks At The Florida Medical Association, 8/24/07)

GOVERNOR ROMNEY: “The 45 million who don’t have insurance – if they get sick they go to the emergency room for care. And that’s not ideal care, as you know, it’s not the preventative care they need, doesn’t get them the prescription

drugs to stave off an acute condition developing from a chronic condition. And the cost of the health provided there at the emergency room is not paid for by them because they don’t have insurance. Who’s it paid for by? Well, by the people who do have insurance. So not having insurance is not good for them, doesn’t give them good quality health care – and it’s not good for everybody else, because they’re having to pay for it, through their taxes or their premiums. The problem of the uninsured is a problem for all Americans.” (Governor Mitt Romney, Remarks At The Florida Medical Association, 8/24/07)



Reducing Spiraling Health Care Costs: THE ROMNEY *Plan*

Use A Free Market, Federalist Approach To Make Quality, Affordable Health Insurance Available To Every American

- **Deregulate State Markets.** Encourage states to eliminate the cumbersome insurance regulations that drive costs up and providers out of the market.
- **Fix The Tax Code.** Level the playing field by making all health care expenses tax deductible, eliminating the special treatment afforded employer-provided health plans.
- **Stop The Free-Riders.** Use some of the money currently spent on providing expensive “free care“ for the uninsured at emergency rooms to instead help the truly needy buy private insurance.
- **Reform The Medical Liability System.** Institute federal caps on non-economic and punitive damage awards to eliminate frivolous lawsuits and bring an end to the practice of defensive medicine.
- **Promote Innovation In Medicaid.** Give states flexibility to spend their Medicaid dollars in whatever way they find most efficient and effective.
- **Bring Health Care Into The 21st Century.** Improve quality and enhance transparency by introducing the same competitive forces that drive innovation in other sectors of the economy.

GOVERNOR ROMNEY: “My plan would allow people to purchase private insurance, not government insurance. No government-managed health care and no increase in taxes.” (Tim Rohwer, “Romney Visits Bluffs,” *Council Bluffs Daily Nonpareil*, 3/23/07)

GOVERNOR ROMNEY: “But we say let’s rely on personal responsibility. Help people buy their own private insurance. Get our citizens insured, not with a government takeover, not with new taxes needed, but instead with a free market-based system that gets all of our citizens in the system. No more free rides.” (ABC, Republican Presidential Debate, Des Moines, IA, 8/5/07)

GOVERNOR ROMNEY: “Conservative principles have the answers for health care. I think I’m going to be able to demonstrate to you today the conservative principles of personal responsibility and free market dynamics and choice and personal care – these kinds of elements allow us to reform health care in such a way that we can solve the problems that America faces in health care without having a government takeover, without having socialized medicine with all its drawbacks and all its weaknesses.” (Governor Mitt Romney, Remarks At The Florida Medical Association, 8/24/07)



GOVERNOR MITT ROMNEY'S REMARKS AT THE CLUB FOR GROWTH

Palm Beach, FL

Thursday, March 29, 2007

"Thank you, Pat. I appreciate the chance to be with you. I appreciate your work in advocating for growth in this country. It's good to be with a group that cares about growth. Everybody likes growth, but liberals just assume it. They just imagine that growth has always been around, and it will always be around. They somehow feel it's like air. It's just there. We've out competed everybody else in the world, and if we just keep on doing what we're doing, somehow we'll always be growing very quickly.

"I actually found in my private sector life that there are factors which enhance growth and there are factors which retard growth. I spent, as Pat indicated, 25 years in business, 10 years consulting to by and large, large corporations to find ways to help them transform their business. And then I spent 15 years in the venture capital business. Venture capital really is the nexus between risk capital and innovation. It's the place where new jobs start.

"And I also spent 15 years in Bain Capital, and in not just venture capital, but in what is known as private equity. And some of you are familiar with private equity. This is where you buy somebody else's company and you try and make it better. It's highly improbable, that, I mean you think about this, you're going to go out, I remember doing this, we bought a company from Tom Monahan, he lives here in this area. Tom Monahan, he founded Domino's pizza. He opened the first store. He decided at a certain date a few years ago that that was the exact best time to sell, and he hired a firm to hawk it to everybody in the country.

"We were the poor schlemiels that paid more than anybody else. And it was up to us to find a way to make more money making pizza than the guy who had done it for 50 years had done. And yet we did that. It's remarkable in America, there is an approach to changing organizations to make them better and better and better, and that's what we were able to do. So, in private equity, we're at this juncture of again, risk capital, but also the transforming power that you see in the private sector.

"Now, it's hard to blame the liberals too much for the fact that they think growth is going to happen automatically because it has been around ever since Ronald Reagan has been around. We've seen pretty good growth. There's been some ups and downs, but our economy has grown well. And they somehow just assume it will always be there. But if they'd paid more attention to what has been going on around the world, they'd say, 'Actually, there are factors

that do influence growth, and either retard it or accelerate it.'

"And if they had looked at the Soviet Union they would have seen for instance that if you blockade yourself from world trade, outside of your national group and if you have a government-dominated economy and you highly regulate your economy, that you're not going to have growth at all. And ultimately you'll collapse. If they would have looked at Europe, they would have seen that if you pursue a welfare state mentality with large government and large taxes, you'll have anemic growth which leads to almost no job growth and very high rates of unemployment. And if they look instead at America, they'll say that we have had policies thanks to Ronald Reagan that have allowed us to lead the world in growth and to add some 30 million jobs since he was President and to lead to a very low rate of unemployment.

"Now, if all we had to do over the next 10 to 20 years was compete with Europe and the Soviet Union, I wouldn't be at all concerned. We could just sit back and the liberals could assume growth as long as they wanted to, but the truth is we have some much bigger challenges than just competing with the Soviet Union and Europe. We face a new generation of challenges and you know what they are.

"One, we face a much tougher competitor or group of competitors coming from Asia than we've ever faced before. Asia is tough. There are a lot of Asians. They are hard working people. And they're going to give us a run for our money in terms of our economic vitality. I was speaking with the CEO of a major high-tech company. I said, 'What do you see over the next 10 years in your company?' I was talking technology. He said, 'Well, in 10 years, 90% of my employees will be working out of Asia.' And I was shocked. I said, 'Why? Is that because you are trying to get the low labor rate?' He said, 'No, it's because they have an ample supply of knowledge workers.' He said, 'I can't hire the people in this country that I need to be competitive.'

"And I looked at the statistics, you've seen them, Ph.D.s in math and physical science, 15 years ago, we and Asia graduated about the same number: about 4,700 a year. Today we've dropped to 4,400 a year, they've gone to 24,900. They're investing in brain power and in technology. New chemical plants, 120 of them have been

announced with over a billion in capital over the next decade – 120 plants, 50 in China. How many in this country? One. So we face a tougher competitive array as a result of the emergence of Asia.

“Second challenge, our entitlement challenge and the baby boom combining with the entitlement challenge has presented us with, well the potential for America to follow the track of Europe and to become a welfare state. We’ll talk about that some more.

“We’re overusing foreign oil. It doesn’t make sense to me to take a billion dollars a day and send it to other economies, other than our own, when we could be keeping it here. Particularly when the people we send it to include Ahmadinejad and Putin, and Chavez and the like.

“And then there’s another issue that is, I won’t spend a lot of time on, but it’s the cultural challenge that we face in this new generation of challenges. And culture sounds awfully soft. It doesn’t fall into the same category as the emergence of Asia, overspending on oil, or the emergence of an entitlement mentality that leads to a welfare state. But actually, I’m very concerned about culture.

*“America’s culture, I’m convinced, is what has allowed us to lead the world. It led to that. There’s a great book by, I’m sure he’s a liberal, I don’t know that, but he’s a professor at Harvard so I presume it. And his name is David Landes, it’s a book called, *The Wealth and Poverty of Nations*, and it had on the cover, an endorsement by John Kenneth Galbraith so I had to swallow hard before I picked it up. I started reading it, and I found it a pretty scholarly approach to looking at why nations come and go, why civilizations are strong or weak. And after about 500 pages of analysis, he said, approximately these words, ‘If you can learn anything from the history of the economic development of the world it is this: culture makes all the difference.’ Culture.*

“And I thought about our culture in America. We love hard work. We take risks. We like opportunity more than we like dependence and ease. Americans, by and large, believe in something greater than themselves. Most Americans believe in God. We believe in our families. We’re a family oriented people. Because we believe in God and in families, we’re willing to sacrifice now for rewards down the road for our kids and for our grandkids. Americans love freedom. These kinds of cultural elements are what, in my view, have propelled us to become the superpower of the world.

“And all of them are under attack. A whole generation of people in some of our cities who don’t understand the nature of work, who don’t value education, we have an attack on the family. Over, among our African-American population, one of the tragedies, 68% of kids being born to a single parent and the Hispanic population growing closer to that number everyday. Kids deserve moms and dads. We need to bring moms and dads into the home if we are going to continue to have the culture that’s led us to be so, so strong.

“So we’re being challenged in new ways and unless we change, and that is of course what the private sector does all the time, corporations change all the time, even if they are highly successful they change to get even better. I was with the CEO of Goldman Sachs, we had a great lunch this week, or breakfast this week, and he took over after Hank Paulson. Think about that. I wouldn’t want to take over after Hank Paulson. A company at the very top of it’s game making more money than ever. He came in and what did he do? He changed everything. And it’s even more profitable.

“That’s what you find in America: innovation, transformation, change. In government, we face a changing world and yet things almost never change at all. We’re organized almost the same as we were when Abraham Lincoln was President. And it’s time for us to recognize that America’s government needs also to change. The innovation that we see in the private sector needs to become part of the governmental sector. The transformation that we see day-in and day-out needs to become part of the governmental sector as well.

“Well, let’s begin by talking about our objectives. James Carville coined the phrase, ‘It’s the economy, stupid.’ And I didn’t like the stupid part, but the economy part made some sense to me. But somehow the word economy connotes the idea of short term. You know, if you’re in a recession, let’s just get the economy up and everything will be good. I think we might be better to say, ‘It’s growth, stupid.’ Growth means higher incomes. Growth means more wealth. Growth means U.S. leadership. And this is what I’d tell to our friend James Carville, ‘It is growth, stupid.’

“And I’m, I’m convinced that the liberals value growth, but they don’t understand that it’s highly vulnerable. And the things that are done at the governmental level affect our ability to grow as a nation. It flows in some respect I think to the views the liberals have, and I apologize to the liberals in the audience, is there one here? OK, I’m safe. It has to do with their view of the world. And I think John Edwards blurted out

the truth, in his own mind, he blurted out what the liberals think is the truth. And he characterized America this way, he said, 'There are two Americas.' In his view, it's the rich and the rest. And the Democrats have a wonderful way of dividing the rich between the 1% and there's the 99%. And for them, given this characterization of the world, by the way the boxes around the dollars sign and the cent sign indicate their view of growth, for them there is no growing the amount of money, it's just a static amount. And therefore policy for them is relatively simple. Governmental policy, all you have to do is this: just take money from the rich and give it to the rest and you have accomplished the work of government.

"Now, I don't see that. My life in the private sector working with corporations and starting corporations and working also in the voluntary sector taught me that there's a very different perspective of America. And very simply it is this, that the American people are the source of our strength. And the American people, their ideas, their passion, their hard work, their education, their love of freedom, their love of country, their love of the future, their willingness to sacrifice. The American people are what lead to the vibrant and growing economy that we have, and the extraordinary growth of our economy and the wealth of our corporations generate returns which in turn incentivize the American people to do even more, and to come up with more ideas and to invest more.

"It's a little more complicated than that. I add a couple of things here. I've separated the American people their ideas if you will, their thinking, and their brain power, their muscle power, and their capital. The capital that goes for investment, they take their money and they invest it and that creates the growing thriving enterprises and the high personal incomes. Then you'll note that there's an arrow, there is a button on here for a laser, I was in consulting for a lot of years and I never had a laser button. Look at that, there's a laser button, that little arrow, this is so silly.

"But that little arrow there, that's corporate profits. Democrats fundamentally believe that corporate profit is a bad thing, that it indicates something is wrong. They like knowing a company is profitable, but oh, oh so barely profitable. Because, if it is profitable that all of the people will keep their jobs. But, they don't recognize what profit is. I know there's a little profit that goes into the bonuses for executives, it's a tiny share. And there are a lot of people

who feel that sometimes those bonuses are out of alignment. But that's not where most American profit goes. The great majority of America profit, 95, 98, 99% of it goes to growth. It goes to working capital necessary for growth. It goes for capital investment, capital expenditures for plants and equipment and so forth. It goes to research and development, that's where corporate profits go, so it cycles back and then of course it comes back in.

"And the American people, given their high personal incomes, oh this is fun, they get that, that money goes back up to them, and then of course they turn around and put it back down. It's a wonderful machine, and that machine is what has propelled America's growth and has allowed us to eclipse virtually every other country in the world, every other country in the world.

"Now, one thing that my little model here doesn't show is that there are also some retarding factors, some brakes on growth, it would be great if it worked just like that alone. But there are some things that slow down growth, and I've put them down here, braking and slowing factors. Taxes is one of them, inefficient elements of our economy where money goes where it is not being used effectively, slows it down. Abuse, of course, fraud, abuse slows it down.

"Let's look at taxes first. Anytime there's bureaucracy, inefficiency, or pork you are just pouring money down the drain, it's money that could go into investment in new technology, working capital, capital expenditures, and growth. Taxes and runaway taxes and runaway spending just slow down growth. Entitlements are in some respects a show of compassion. As long as they're reasonable and sustainable, they're great. But if they become unreasonable and unsustainable they can kill growth of a nation.

"And then, of course, military. Look, you can't possibly have an engine that's growing if people don't know whether they will be there to receive the rewards of their investment. You have to have safety and security and because there are bad people in the world you've got to have a military and a strong military. I happen to think that we've under-invested in the Clinton years and since in our military. I think we need to re-invest in our military. But with the exception of military there, those taxes that slows us down. Then there are the inefficient sectors of our economy.



“Regulations, over regulation, things like Sarbanes-Oxley. Let’s apply millions of dollars of penalties to every company in America thinking about being public. That slows down growth. Tort claims, excessive tort claims. Look, normal application of the legal process is essential and necessary for an effective economy. But excessive tort claims and runaway liability rewards retard the growth of our entire economy and slow down the success that all of our citizens enjoy.

“Health care, I mention health care, not because there’s something wrong with it, but because it’s one of the sectors of our economy that is not terribly productive. Every country it seems has an unproductive sector. The Europeans and the Asians typically the unproductive sectors are agriculture and retail. In our country, the most unproductive, I think, of the major sectors, now at 17 percent of GDP, is health care. It’s a very inefficient sector of our economy. It’s poised, it’s poised to change and become an extraordinarily successful part of our economy if we apply market dynamics to it. But, if instead, if we apply Hillary-care to it, it’ll become worse than ever imagined. I love what P.J. O’Rourke said, he said, ‘If you think health care is expensive now, wait until it’s free.’ And we’ve got to make sure she doesn’t get her hands on health care.

“Of course you recognize that there are areas of abuse and they drain money which otherwise could go into this great machine that creates higher incomes, higher wealth for our citizens, greater security for all of us. Now, by the way, if you look at that list down there and you think about where the Democrats line up, I mean they’re not going to cut taxes, they’re going to increase taxes if they have their way, they want to reverse tax cuts. When you look at the inefficient, they want to increase regulations, they want to protect the tort industry, and they want to have government take over health care making it even more inefficient. So basically what the Democrats would do, would be to apply all of their strength behind the brakes. And the effect would be to dramatically slow down the economy of this great country.

“Now we Republicans, I’m afraid, haven’t done as well as I would have liked us to over this last six-year period. Yeah, I’m getting a little smiling there, a little laughter, I hear an amen. This happens to show the domestic discretionary spending of the last, how many years here? Look about

the last 15 or 20 years. And this is not actual, this is what it would have been, if beginning in 1998, excuse me, if beginning in the year, I think it’s, 2000, we would have only spent, based upon inflation, or kept up with inflation, plus the additional money in homeland security. There’s the bump for homeland security. There’s what we actually spent. There’s how much more we spent than inflation plus the homeland security dollars. We spent dramatically more in discretionary accounts than inflation plus homeland security. At the end point there in 2006, it’s \$113 billion more than inflation would have taken us. This is our record as Republicans and no wonder members of our base are very upset and wondering what Republicans stand for, because in my view, that’s just unacceptable.

“Now, it’s hard to stop, I know how hard to stop it is. I was Governor of a state with a legislature that was 85% Democrat, and that makes it tough. I came in and we had a huge budget gap. I thought it was going to be a billion dollar budget gap. It turned out to be a \$3 billion budget gap. About 85% of that I was able to solve by cutting back on the scale of government. We eliminated agencies. We eliminated departments. We had three highway departments – we had one for the turnpike, one for the highways around the city, and then one for all of the other highways. Why do you have three highway departments? I put them together. It took four years to get the last one closed down.

“Then we have two parks departments. We have islands in the harbor in Boston, as you probably know. Some of the islands are managed by one park department. Some are managed by another parks department, all with their own boats and their personnel and their IT people and so forth. So we collapsed them and put them together. I got rid of agencies.

“One of the commentators in town said that I did not just go after the sacred cows, I’d gone after the whole herd. I was pleased with the fact that every single year we balanced the budget and actually we re-stocked the rainy day fund, we drew it down to about \$600 million, we got it back up to \$2 billion. And we made some progress there. Not everything was exactly as I’d have liked it, but we were able to cut back on the scale of government.

“By the way, I’m proud of the fact that when my term was over, we went back and added up all of our state employees. I had added a lot of employees in public safety.

We had a crime lab that was behind the times. A DNA lab that didn't have enough personnel. I added substantial new classes to our state troopers. I wanted to have the people safe. But when it was all over, we had actually reduced jobs in state workers. We had fewer state workers than when I got elected. I wish that happened more in this country.

"I have to tell you, I can't wait to get my hands on Washington, D.C. I am delighted at the prospect of being able to get in there because it's what I do. What I've done throughout my business career is going into corporations and find ways to scale back overhead, scale back the unnecessary and the wasteful, pull back that which is unproductive so you can do more of what is productive. And so I know how to cut things back without hurting them. And then I went to the Olympics and I got out there and we had about a \$1.3 billion budget and I said that was too much. I cut the budget by \$200 million – that was not easy – and we put on great games. My guess is we could have saved even more. We ended up with a \$100 million profit at the end which I was pleased to report as well. It's exactly what I did in business, it's what I've done in the Olympics, it's what I've done in state government which is learn how to cut back.

"Government is simply too big. State government is too big. The federal government is too big. It's spending too much. There's a lot we can do with efficiency and duplication. There's even more we can do by just simply cutting back on the scale of our government.

"Now there's something else I've proposed. I was proud to sign Grover Norquist's tax pledge. But I also put in place, I also announced that I'm signing another pledge and that is a spending pledge. You see that chart there? What I've said is domestic discretionary spending I will cap at inflation less one percent – so one percent less than inflation. And if I get spending appropriations – there's some 13 appropriation bills – if I get those bills on my desk and they're greater than that amount, I will veto them.

"And I like vetoes. I vetoed a lot of things and we've got to have that happen. You know, people used to say to me in Massachusetts, 'Governor, you've had a lot of vetoes and a lot of them get overridden. Most of them get overridden. That weakens your power.' I said, 'Baloney. I want people to know what I stand for. And I'm going to veto items even if that 85% legislature goes out and spends it, I'm going to veto it to make sure people know what is right and what is wrong for the leadership in our state.'

"Now, I'm going to turn to another area and that's discretionary spending. Let's talk about entitlements and I know this is the third rail, as they say. And no one should talk about entitlements. No one who's thinking about running for president should talk about entitlements. Well, it's time we talk about entitlements. It's too important. We've got to deal with it honestly. We've got to make sure that America understands that if we don't deal with entitlements honestly, then we could turn America into Europe. We could become the France of the 21st century. Yeah, having begun as the superpower and end up as something less than that.

"Let me show you, this is from the CBO, published in December of 2005. It's based on, I believe about a two and a half or two and three quarter percent GDP growth rate. So it's sort of a midpoint in the growth rates. The squiggly line at the top shows tax revenues as a percentage of GDP over the last 40 years. You can see they bounce up and down, but pretty much stay within sort of the 18 to 19 percent range. Interesting, isn't it, by the way. You see John F. Kennedy and Ronald Reagan recognized that you could lower tax rates, lower marginal tax rates and government, because of the growth of the economy, government still gets the money it needs. You keep lowering tax rates, you get more growth and you get, therefore, the money government needs. And so, that number bounces around a little bit, but overall, the government's getting the money it needs. Now that's right around 18%.

"Well, you see what's happening down below. You see what happens to Social Security, Medicaid and Medicare. Basically, left unattended, and assuming about a two and a half percent growth rate of the GDP, you get to a point where entitlements end up eating the entire federal budget.

"Now that, obviously, that can't be allowed to happen and it suggests a couple of things. One is, and most importantly, how can you grow the economy faster? And what tax policies will allow us to grow the economy faster so that we're able to keep ahead of that growth in Medicare, Medicaid and Social Security? I'll come to that in a minute – tax policy. Then the other question is, isn't there something we need to do on Social Security, Medicaid and Medicare to rein them in? I think there is.

"Let me talk about Social Security first. I want to make a key point. We're talking about the program of Social Security for young people – that means folks younger than me. It doesn't mean for retired people or people about to retire, we're

talking about people who are in their 30s and 40s.

“The options that are discussed for reforming Social Security typically begin with the Democrats talking about raising taxes – that’s a bad idea. Raising taxes will slow down the economy and become a self-defeating factor because you slow the economy and that makes the burden of the Social Security problem even greater. So you can’t raise taxes.

“Number two, people have talked about an inflation rate based upon consumer price index – perhaps some in the room don’t recognize this, but for people right now, when you get your Social Security initial benefit, it’s not inflated with the price index – it’s inflated with a much higher index: the wage index. And if you just change the index from the wage index to the CPI that we’re so used to, that we all talk about, that would pretty much solve the problem of our Social Security burden.

“You could also extend the retirement age and then there are personal accounts and a lot of folks have said, ‘You know, we have a Social Security surplus right now. Why are we using that money to fund the government? Why don’t we allow that money to be used to fund things like personal accounts and there could be other sources for personal accounts as well – voluntary, personal accounts. So we’ve got some options there. I want to hear what the Democrats have to say, but it’s critical for us to recognize number one on their list is not on our list, and we have to make sure that the others are places that we turn to finally reign in Social Security.

“Medicaid. I liked what Tommy Thompson did a few years ago. I’m not sure you took a close look at that. But he said, ‘Look, why don’t we give each state the same money we gave you last year for Medicaid plus about four percent. And then we’re also going to give the state the ability to fashion your own program for the poor in the way that you think is the best for your own poor.’ Isn’t that a great idea? Then every year, you grow the federal spending four percent – a little bit higher than inflation, not the double digit rate its been growing – and the states are able to fashion their own program in a way that meets the needs of their citizens.

“I just note there, Medicaid is being used by Democrats to creepingly take over health care. It’s creeping universal coverage. Because they go out and they say, ‘We have all

these people that are uninsured.’ And then they run to the federal government and they say, ‘Let’s take people who are earning 300% of poverty – three times FPL – and have them get Medicaid.’ And we keep on putting more and more people on Medicaid.

“Medicaid is not a great insurance product. It was designed for the very poor, but it’s being used as an insurance product. It has terrible features. It doesn’t have people paying any part of their premium. It’s entirely free. It also has a cliff eligibility. If your income goes above a certain level, you don’t get anything any more. It has all the wrong incentives. So I’d like to see us give to the states the flexibility to create their own program based upon personal responsibility, get more people in the program but have them responsible for paying for their own premiums to the extent they possibly can and rein in the spending at the federal level.

“And then of course, the toughest one, Medicare. And this is the program not for the poor but for the elderly. And I’m getting closer to that number every year. I turned 60 this month, and I’m thinking about it every day. How do you reform Medicare? I fundamentally think that to rein in Medicare, we’re going to have to be serious about reforming health care itself. And I don’t see how you’re going to reform health care without finally applying market dynamics to health care.

“It’s inexcusable to me that a 17% section of our GDP is not run like a market. When I say not run like a market, people go in to get a treatment – let’s say a triple bypass surgery or a colonoscopy – they go to the hospital to get that procedure they know they’re going to pay their deductible – \$500, maybe a thousand – and from then on it’s free. So they don’t care whether the operation costs \$100,000 or \$300,000 because it makes no difference to them. And as long as that’s the case, health care will not respond like a market. That’s why the health savings accounts are so positive because people do have a stake in how much things cost.

“And something we instituted in Massachusetts – I sure hope the people who followed me will allow it to happen – is co-insurance – where insurance companies are finally allowed to offer to subscribers a policy which says instead of a deductible, you’re responsible for a certain percentage of your bill. Five percent, 10%, you choose the number. And now you care whether the surgery is \$100,000 or



\$50,000 or \$300,000. And you might go to a hospital four or five miles away further because it has lower costs and just as high a quality. That I think is one of the keys.

“Tort overhang, there’s no question that the tort system that we have and the excessive awards are costing us more in our health care system. And then, of course, there’s health care productivity. There’s a lot of excitement about information technology, and you’ll hear time and again that one third of health care is paperwork. It’s not going to disappear. We have a system in Massachusetts that in one of our leading hospital chains – the Partners Health Care chain – is going all electronic. It’s terrific, it’s saving money, but it’s not 30%, it’s more like 3% and they haven’t released the number. But it’s not, it’s not going to make health care cheap. We have to deal with the market dynamics of health care to make this work.

“And finally, appropriate care in the appropriate setting. We have to make sure that insurers are allowed to direct people to go to the right clinic, the right doctor and the right hospital. Medicare – we can get there.

“By the way, I’m not a newcomer to this, to health care. I started a health care consulting practice for Bain & Co. We worked with literally dozens of hospitals – I started the, invested in the start-up of a surgical center chain and of course as Governor, as you know, I put in place a health care system. No, it’s not perfect. It’s about two steps forward. The legislature took one step back. It’s our effort to try and make some of these things work in our state. We’ll see how well it works. Other states are taking certain parts of what we did, will maybe improve on it. I’m sure they will improve on it. But I know one thing. We’ve got to show that as conservatives we can get the market to work for health care rather than having the Democrats put in place a Hillary-care-style program that would absolutely sink our economic growth.

“Let me tell you, spending can be controlled. I know how to do it. I’ve done it before. We can control earmarks. We can control pork. We can put a cap on discretionary spending. I want to get in place and do a top-to-bottom review of every agency of government. I love doing that.

“I don’t know how much time you have. One of my favorite stories was getting in as governor and I was cutting every place I found excess. And I was looking at the homeless budget. And my head of finance said, ‘Mitt, you can’t look

at the homeless budget. We spend \$130 million a year. You can’t cut homeless.’ And so I said, ‘Well I want to look at it anyway.’ And I went through all the numbers and I got to one number and I mean this is the way it is any one of you would do the same thing. I got to a number and it said ‘hotels.’ And I said, ‘What’s that?’ And he said, ‘Well, if a homeless person presents themselves at a shelter and it’s full, we put them up in a hotel.’ And I said ‘Boy, I bet the word gets around.’ And I said, ‘How many hotel rooms a night are we renting in the Boston area?’ Boston’s expensive. Five hundred ninety-nine rooms a night at the cost of almost \$30 million, \$20 plus million in hotel bills.

“So I said, ‘A simple change of policy is about to be announced.’ And that is when someone comes to the shelter and it’s full, we welcome them in. But the person who’s been there the longest, five, six months they go to the hotel. At the end of the year, zero hotel rooms were being rented. Zero. And the millions we saved were able to be used to help people get on their feet, to get them child care, get them into housing. You can make a dramatic difference by going through and saying, ‘Where can you do a better job?’ It’s so much fun. It is so much fun. It’s hard making companies better because everybody has been doing it before you. It’s easy getting government better because it hasn’t been done in such a long time.

“Now let’s look at taxes for a minute. Let’s look at taxes. This is a squeezed down graph of what I had before. It shows just the tax revenues as a percentage of GDP through 2005 and then it shows what happens if the Bush tax cuts expire. And you’ll see that that line just goes absolutely nuts. And the Democrats, of course, want that to happen because think of how much money they can spend on everything they want to spend it on. The red line is what happens if we make the tax cuts permanent. And they’re terrified that we’re going to make the tax cuts permanent. Well that’s the least of what we have to do.

“Stage one is just to make the tax cuts permanent. Then we have a lot more work to do, as you can see. Or we’ll put such a drag on our economy that we can’t possibly have the growth that’s so essential for our prosperity, for our high wages and salaries and for our leadership of the world.

“I had some fun by the way in my state. It’s hard lowering taxes in Massachusetts as you can imagine. My supreme court did a very unusual thing, the Supreme Judicial Court.

I call it mine. I won't do that again. It's the Massachusetts Supreme Judicial Court did an unusual thing. The legislature had raised capital gains taxes in the middle of the year. And the Court said that was illegal. You have to raise it on January 1st. But they didn't say which January 1st. It could either be a retroactive January 1st or prospective. And this related to a year that had long passed – the 2002 tax year.

“So my legislature passed a bill saying that there was going to be a \$250 million tax hike on people for a year that had already passed. And they sent the bill to my desk. Now again, my legislature is 85% Democrat. What was I going to do? Of course, I was going to veto it, but they would override my veto like they do the others. So I went to the Department of Revenue, and I said I want you to run your computer over the weekend and send a tax bill to everybody in the state that's going to owe new tax revenue. Send them their bill. Tell them there has been a bill passed, give them the number of it make it official, Department of Revenue, here's how much money you owe unless this bill is overturned and vetoed by the Governor. Send it out to everybody. And as Everett Dirksen used to say, 'When they felt the heat, they saw the light.'

“And I sent the bill back to them after people had gotten their bills. I sent the bill back to them with an amendment. My amendment was, instead of a \$250 million tax increase, there was a \$250 million tax refund. And they saw the wisdom of my thinking and voted in favor of that.

“That wasn't the only change. We made the investment tax credit permanent. We put in place sales tax holidays time and again. We put in place this real estate tax advantage program for our seniors. We put in place a manufacturer's tax credit for those that are manufacturing medical products. Every year, I submitted budgets my last three years, I submitted budgets that reduced the income tax rate. They wouldn't do it. I kept on fighting for it. It's time for us to get taxes lower in this country. And we certainly have to begin by making those tax cuts permanent.

“Let me look at corporate tax for a minute. I don't know whether this will surprise you, but boy it's something that the people in the private sector talk about all the time. Something that we talked when we considered at Bain Capital where we were going to invest, where we would put new property, plant and equipment, where we were going to hire people. The U.S., next to Japan, has the highest corporate tax rate in the world. Well, there may be somebody else higher. I don't know whether Idi Amin got his higher than

that in the past. But you will not be surprised to learn that's Ireland. They figured out that if you lower taxes enough, you create growth. And if you create growth, you get more jobs. You get more jobs, more people are paying taxes. You get more taxes paid, the government has more money by charging lower tax rates. And we simply can't afford for our future growth as a country to have a tax rate that is way out of alignment with the other major economies of the world. We're going to have to bring our corporate tax rate into a competitive posture or suffer a slowing and retarding economy by virtue of our willingness to do that.

“Let me talk just briefly about my tax philosophy. One, I was the first candidate for president to sign the Norquist tax pledge. Of course we have to make the Bush tax cuts permanent. Of course we have to abolish the death tax. It just isn't fair to tax people twice. Well, three times. Once, when they earn it. Second, when they invest it and pay dividends or get their dividends interest and capital gains. And then a third time when they die.

“Four, I proposed a savings incentive plan. And this is a plan that basically says we're going to let people of moderate income save their interest, their dividends and their capital gains tax free. No tax whatsoever on capital gains, interest and dividends. Lower marginal tax rates for all Americans. Get taxes down. Make them simpler, and flatter and lower. And finally, make our corporate tax competitive with the rest of the world. That's where I'm going. That's what I'm going to fight for.

“And I'm going to make sure that we get this economy going as fast as it can possibly be going. Because that's the best way to solve our needs. Both our entitlement needs as well as our defense needs and all of our other needs, grow our way to the great vitality and economic strength that we've always enjoyed. That's exactly by the way, it's hard to say what John F. Kennedy said and what Ronald Reagan said and they were right. They cut more marginal tax rates and by virtue of doing so they got the economy going faster, and we have to keep learning from history and make sure that we do it as soon as we possibly can.

“Now, Democrats will be singing a very different tune. You're going to hear some very articulate people. I'll tell you, they're pretty well spoken. You know, that Hillary Clinton is probably the least sort of energetic and passionate of the three but Barack Obama and John Edwards – they're remarkable spokespeople. And they're going to be talking about wonderful things they are going to do for the American

people. Their siren songs.

“They’re going to talk about raising taxes on just the one percent. And there’s no question that they’ve said it time and again. They want to stop the Bush tax cuts. They want to repeal them. They want to have them expire in 2011. And short term that will mean higher spending and more money for all their constituents. Long term you know what it means – lower growth, falling incomes for all Americans and rising poverty. It does just the opposite of what they advertise.

“What’s their other siren song? Protectionism. Raise trade barriers. Short term, I think it would mean higher wages. You’d have shortages. People would have to pay a lot of money to hire people. There would probably even be more jobs.

“But long term what happens? Our products would become uncompetitive with the rest of the world. Our Chevrolets would have the same response ten years from now that Yugos had when they were first introduced in our country. Our businesses time after time down the road would

collapse, jobs would decline, incomes would fall. Putting up barriers, unless it’s against some predatory practice, putting up barriers just kills the economy long term.

“Another siren song: have the government take over health care. Make sure the people don’t have to pay. Boy, it sounds attractive, more health care jobs. I’m sure the unions would love it. Health care would seem free to everybody. Don’t forget P.J. O’Rourke. ‘If you think health care’s expensive now, wait until it’s free.’ Long term what would it mean? Higher taxes, lower investment, business slowdown jobs and income decline. And of course you would end investment in health care innovation by the private sector.

“And I’ve looked at a graph. Have you seen that of where the new innovations and patents come in health care? They all come from the private sector. You basically kill health care investment by virtue of having the government take it over.

“Another siren song. There are so many of them. Grow unions. Boy this idea of democracy is a real problem for them, as you know. They want to have the card check





program where instead of having a private election to determine if a company's going to go union, they want to be able to collect a card from people one by one. You know, show up at your house with fifty or sixty people and say would you sign this card. And then no vote is needed. That's the kind of thing they're trying to do. It would make the union bosses smile of course. And probably raise union wages. But businesses would flee this country, and jobs and income, without question, would decline.

"And then of course, what are their favorites? Got to protect the tort industry. Got to make sure those windfalls continue to come in. Particularly for the lawyers who bring them, and the free-wheeling judges keep on pouring them money out. It'd be a lottery for a few Americans. Americans like lotteries. And it's a great thing to talk about: 'Boy, you have a shot, if you're lucky enough to get hit by a Greyhound Bus. Why, we could be worth half a billion dollars!'

"Long-term, it's going to make businesses go elsewhere and jobs and income decline – and of course their favorite as well: regulate. Regulate lawyers, regulate developers, regulate innovators, and regulate free speech.

"What a lousy idea McCain-Feingold is. How about going out at this whole idea that not-for-profits aren't able to speak before an election. I don't know how that passes Constitutional muster. I don't know how it is that we say that we're going to take money out of the campaigns of parties and candidates who can control it and take responsibility for it and we're going to let people like George Soros spend millions and millions – billions I guess if he wants to – trying to influence the direction of this country. It makes no sense at all. Of course, it's great TV. It's great politics. But it's lousy for the economy. It burdens our employers, slows our growth, and causes incomes to decline.

"Let me just tell you my priorities. We've got to grow the economy, add good jobs, raise incomes, and preserve our strength. Rein in spending, reform entitlements and cut taxes: death tax, savings tax, corporate tax, marginal taxes. We've got to promote trade, bring market forces to health care.

"I want to see federal tort and liability reform, by the way. There's this wonderful ploy. I met with a tort lawyer. He said, 'Governor Romney, we're talking to some of your

Republican counterparts and they agree with us that tort reform should only be done at the state level.' I know what that means. As long as they've got a couple state legislatures they can count on, they can sue America's corporations in one or two states, and they can always have their windfalls. Now, you have to have Federal Tort Reform.

"Eliminate excessive regulations and of course, one I'll never forget, which is strengthen American families. We need to have kids that have the skills and abilities to lead the world.

"Strength, strength is really the heart of the American experience, the American success story. Strength is the heart of the Republican Party. Strength is the fundamental principle of conservatism. Strength in our homes; strong economy, strong growth, strong military, America stands for strength. And strength doesn't just happen. It happens by virtue of good decisions made by good people.

"I'm in the campaign here to make a difference in this country. I've brought change to every institution I've touched. I'm going to work like crazy to go to Washington and bring change there. I'm going to get our economy growing faster. I'm going to cut spending. I'm going to cut taxes. I'm going to work at it every single day, because I know how to do it. I've done it before. I don't do it alone. I do it by bringing great people to come work with me. I need your help. I'd love your endorsement – I'd love your money!

"We've got a lot of work to do, but we've got the opportunity of a lifetime. Some people when they see those challenges that I've put up on the board – all those challenges – they get discouraged. Democrats wring their hands with all the problems we have. I get excited about it. Because the challenges mean we can do something. We can have an opportunity to really make a change in this country. To make sure that the future is brighter for our kids and our grandkids – even than it was for us.

"I'm often asked, 'Why are you running for President?' Because I want to make America a more prosperous and secure place for my kids and my grandkids. I know I can do it. And I can do it with your help. Thanks so much. Good to be with you." ■

CHALLENGE #10:

Confronting Threats To American Culture, Values, And Freedoms

Promoting A Culture Of Life

CHALLENGE: The American values that have been at the heart of our historic rise to world leadership are being challenged everyday. These include, among others, the institution of marriage, respect for life, and the protection of our children. To remain a superpower in the world we must continuously and vigorously reaffirm these key components that have led to America's greatness as a country.

GOVERNOR ROMNEY: "Last year the Massachusetts Supreme Judicial Court struck a blow against the family, as I'm sure you know. The court forgot that [traditional] marriage is first and foremost about nurturing and developing children. Its ruling meant that our society is supposed to be indifferent about whether children have a mother and a father." (Governor Mitt Romney, *Boston Globe*, 3/2/05)

GOVERNOR ROMNEY: "America cannot continue to lead the family of nations around the world if we suffer the collapse of the family here at home." (Governor Mitt Romney, Remarks At UPI, 2/26/05)

GOVERNOR ROMNEY: "What became clear during the cloning debate is how the harsh logic of an absolute right to abortion had cheapened the value of human life to the point that rational people saw a human embryo as nothing more than mere research material to be used, and then destroyed.

"My experience as Governor taught me firsthand that the threat to our culture is real and those in a position to do so must take action to defend it." (Governor Mitt Romney, Remarks At The National Right To Life Convention Forum, 7/15/07)

Supporting And Protecting America's Children

CHALLENGE: Following the Columbine shootings, Peggy Noonan described our world as 'the ocean in which our children now swim.' Noonan described the ocean as a cesspool of violence, and sex, and drugs, and indolence, and perversions. She said that the boys who did the shooting had 'inhaled too deeply in the oceans in which they swam.'

At the same time that our children are being exposed to adult material at an alarming pace on television, through the Internet and on the radio, many communities have fewer

and fewer people and places where parents and children can find refuge. We've seen the tremendous outpouring of support when tragedy strikes, but the number of people engaging in regular volunteer activities seems to be stagnant. According to 2006 data from the Bureau of Labor Statistics and the Corporation for National and Community Service, volunteer rates fell two percent from the previous year and were slightly lower than 2002, when data was first collected. This is a trend we cannot afford to continue.

GOVERNOR ROMNEY: "I'm concerned about the drug culture, concerned about the pornography, the violence, the sex, the perversions that they [children] see day-in day-out." (Governor Mitt Romney, Remarks At The Iowa Republican Party Straw Poll, 8/11/07)

Erosion Of America's Basic Freedoms

CHALLENGE: America's basic freedoms – including those guaranteed by the Bill of Rights – are under constant assault from activist judges and Congressional interference. Eviscerating our core freedoms and Constitutional rights in the name of amorphous principles sets a dangerous precedent.

GOVERNOR ROMNEY: "I have not spent a career in politics, but I know enough about the laws of this country, and the way Washington works, to understand that the McCain-Feingold law is riddled with shortcomings. Let's start with something basic: the American people should be free to advocate for their candidates and their positions without burdensome limitations." (Governor Mitt Romney, "The Fundamental Flaws in the McCain-Feingold Law", *Townhall.com*, 4/25/07)

GOVERNOR ROMNEY: "I believe the Second Amendment is about more than just self-defense or sport; it's about the basic freedom of lawful citizens to live their lives – to engage in the normal pursuits of society without the interference of the heavy hand of government."

Confronting Threats To American Culture, Values, And Freedoms: THE ROMNEY Plan

Promoting A Culture Of Life

- **Promote A Culture Of Life.** As President, Governor Romney will promote a culture of life. Governor Romney believes that *Roe v. Wade* should be overturned so that the issue of abortion can be returned to the American people and their elected representatives at the state and federal level.
- **Traditional Marriage.** Governor Romney supports a Federal Marriage Amendment defining marriage as between one man and one woman.
- **Appoint Conservative Justices Who Abide By The Constitution.** Governor Romney will appoint judges who respect the Constitution and the rule of law, and will not legislate from the bench.

GOVERNOR ROMNEY: “I am pro-life. I believe that abortion is the wrong choice except in cases of incest, rape, and to save the life of the mother. I wish the people of America agreed, and that the laws of our nation could reflect that view. But while the nation remains so divided over abortion, I believe that the states, through the democratic process, should determine their own abortion laws and not have them dictated by judicial mandate.” (Governor Mitt Romney, *Boston Globe*, Op-Ed, 7/26/05)

GOVERNOR ROMNEY: “I stood at the center of the battlefield on every major social issue. I fought to preserve our traditional values and to protect the sanctity of human life. I vetoed bills. I filed new bills. I enforced the law that banned out-of-state same-sex couples from coming to Massachusetts to get married. I went to the court again and again. I testified here before Congress for the Federal Marriage Amendment. And I championed our successful petition drive that collected a record 170,000 signatures for a citizen ballot initiative to protect marriage.” (Governor Mitt Romney, Remarks At The Conservative Political Action Conference, 3/2/07)

GOVERNOR ROMNEY: “If a judge substitutes his or her values for those values that were placed in the constitution, they do so at great peril to the culture of our entire land.” (Scott Helman, “Romney Rips SJC’s Justices On Values,” *The Boston Globe*, 11/11/05)

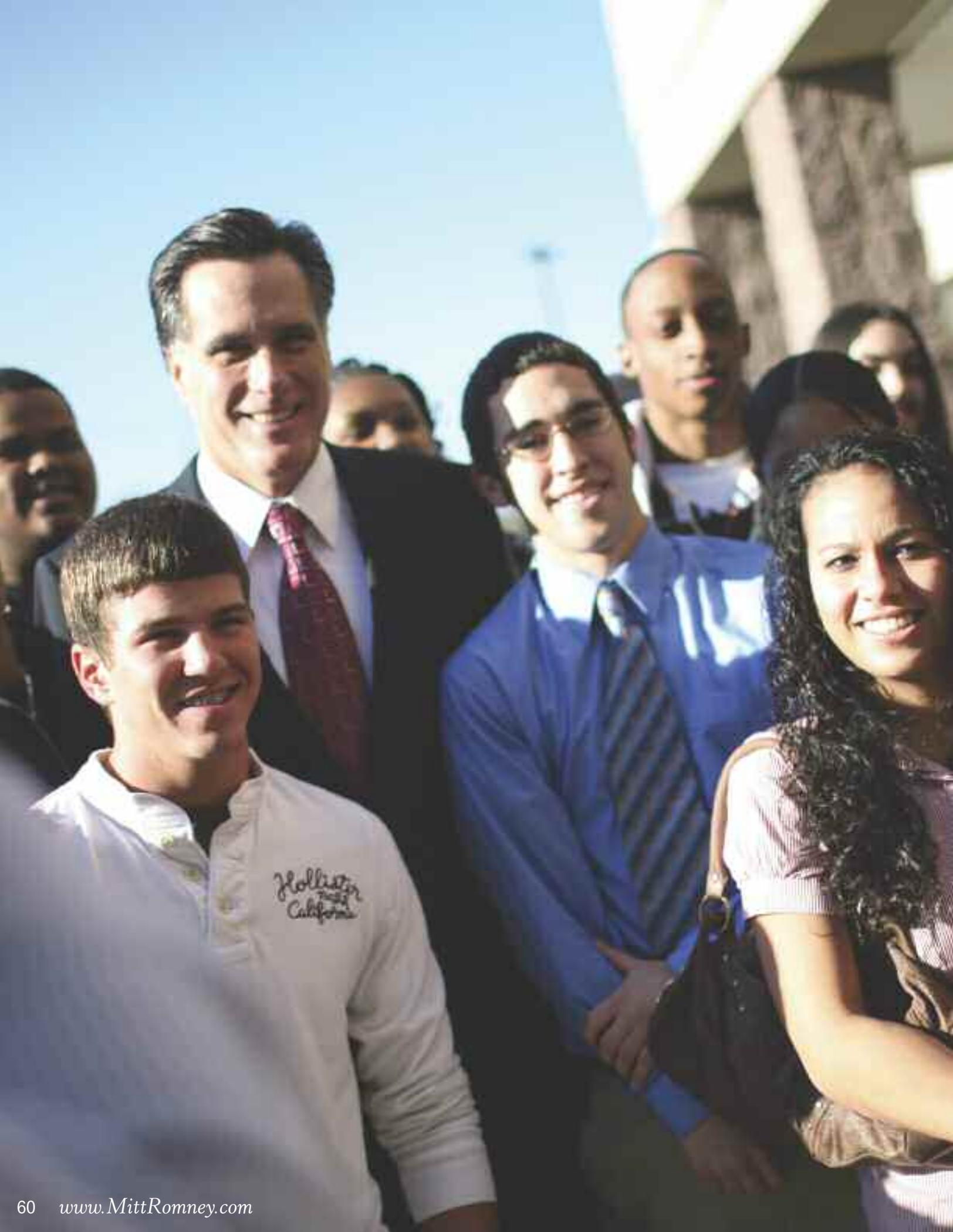
- **Protecting And Supporting America’s Children**
- **“One-Strike And You’re Ours”.** As President, Governor Romney will propose new, tougher federal penalties for

first-time offenders who use the Internet to sexually assault children, including stiff mandatory jail time to be followed by lifetime tracking by Global Positioning Satellite (GPS).

- **Software Filters To Guard Children From Online Pornography.** Governor Romney will work with computer and software companies to make sure all new computers have optional parental control software filters that are ready and easy to use during setup. Governor Romney will also promote and increase awareness of available parental control filtering products for existing computers.
- **Enforce Our Nation’s Obscenity Laws.** To protect our children, Governor Romney will require the Department of Justice to enforce our existing federal obscenity laws. Even though the interstate trafficking of obscenity is illegal, federal obscenity laws have not been adequately enforced.
- **Support And Strengthen Community And Faith-Based Volunteer Efforts.** Strong families need strong communities to help support their efforts to keep children safe from dangerous outside influences. Organizations like United Way, Little League and faith-based groups can play an important role in the positive mental, physical, and spiritual development of a child’s life.

The Bush Administration deserves tremendous credit for promoting volunteer initiatives. These efforts should be continued and strengthened. For instance, the Corporation for National and Community Service aims to expand the number of Americans who currently volunteer from 65.4 million in 2005 to 75 million by 2010. Governor Romney believes this is a worthwhile goal that can be met through leveraging both public and private charitable efforts.

GOVERNOR ROMNEY: “I’d like to see us clean up the water in which our kids are swimming. I’d like to keep pornography from coming up on their computers. I’d like to keep drugs off the streets. I’d like to see less violence and sex on TV and in video games and in movies. And if we get serious about this, we can actually do a great deal to clean up the water in which our kids and our grandkids are swimming.” (Governor Mitt Romney, Remarks At The Frontiers Of Freedom Ronald Reagan Gala, 4/18/07)



Stopping The Erosion Of America's Basic Freedoms

- **Repeal McCain-Feingold.** Governor Romney believes that McCain-Feingold should be repealed because it restricts our First Amendment rights. He believes we should enact reforms that promote transparency and disclosure, preserve grassroots activism and protect the ability to criticize or endorse current officeholders and candidates.
- **Restore The Free Speech Rights Of The American People.** Political speech is at the heart of the First Amendment. The American people must be allowed to advocate for their candidates and their positions without the burdensome limitations of McCain-Feingold.
- **Encourage Grassroots Organizations And Activism.** Grassroots activities are protected by the First Amendment and play a crucial role in elections. Rather than encourage debate on issues of public importance, McCain-Feingold has silenced some of these groups, empowered special interest groups, and protected incumbents in federal office.
- **Support Transparency And Disclosure.** McCain-Feingold has driven money into secret corners and given more power to hidden special interests. Governor Romney believes we must have more transparency and disclosure in the process, rather than more restrictions and censorship of political speech.
- **Strongly Support An Individual's Right To Keep And Bear Arms Under The Second Amendment.** Governor Romney believes in safe and responsible gun ownership. He recognizes there are people in this country who want to remove all guns in our society and he thinks they're wrong. We need to distinguish between law abiding gun owners and criminals who use guns.
- **Support More Severe Punishments For Those Who Commit Crimes With A Firearm.** Those who use a firearm during the commission of crime must be punished severely. The key is to provide law enforcement with the resources they need and punish criminals, not burden lawful gun owners.

Governor Romney does not believe we need any more gun laws in this country. Like President Bush, he would

sign a gun law if it was carefully written to target weapons of unusual and unnecessary lethality or power.

- **Support Court Decisions That Strengthen The Second Amendment.** The Governor applauds court decisions finding the Second Amendment protects an individualized right to keep and bear arms. As President he would support that interpretation and protect the right of every law abiding adult to keep and use firearms.
- **Governor Romney Strongly Opposes The Taking Of Private Property For Private Development.** Governor Romney believes that the *Kelo* property rights case was wrongly decided.

GOVERNOR ROMNEY: "To me, a fundamental principle of democracy is at stake. It is the people who are sovereign in America, not a few folks in black robes. Judges add things that aren't in the Constitution, and they take away things that are in the Constitution. In that regard, they let the campaign finance lobby take away First Amendment rights. If I'm President, I will fight to repeal McCain-Feingold." (Governor Mitt Romney, Remarks At The Conservative Political Action Conference (CPAC) 3/02/07)

GOVERNOR ROMNEY: "Americans should have the right to own and possess firearms as guaranteed under the U.S. Constitution." (Governor Mitt Romney, Remarks At The National Shooting Sports Foundation Show, 1/12/07)

GOVERNOR ROMNEY: "You know, the Supreme Court made an error in judgment on this one. You know, I understand the purpose of eminent domain, to make sure that when roads need to be built, or public purposes are involved, that private property can be taken when there's fair compensation. But to basically say a mall developer could get eminent domain to take away peoples' homes, that is not a good idea. The liberals on the Court made a mistake on this, and we're going to have to get a Court that's willing to stand by the rights of property owners." ("The Hugh Hewitt Show," 6/24/05)



GOVERNOR MITT ROMNEY'S REMARKS AT THE NATIONAL RIGHT TO LIFE CONVENTION FORUM

FRIDAY, JUN 15, 2007

As Prepared For Delivery

"Thank you Carol. We appreciate your many years of dedicated service to the cause of life.

"I was honored to accept your invitation to address the National Right to Life convention.

"I am humbled to be standing among the many who have toiled for the pro-life movement for so long, when I arrived at this place of principle only a few years ago.

"I appreciate the decades of dedication and the effective advocacy of people like Jim Bopp, the Special Adviser to my campaign on life issues.

"I know that it is not time but conviction that unites us.

"I proudly follow a long line of converts – George Herbert Walker Bush, Henry Hyde, and Ronald Reagan to name a few

"I am evidence that your work, that your relentless campaign to promote the sanctity of human life, bears fruit.

"Consider the double standard at work here, by the way. When a pro-life figure changes to pro-abortion, they get praised for their courage. But when someone becomes pro-life, the pundits go into high dudgeon.

"And so, I am humbled but also grateful to be welcomed so warmly by so many with whom I share a common dedication.

"Anyone here from the pro-life community in Massachusetts knows they were always welcome in my office when I was Governor. Together we worked arm in arm.

"I can promise you this – you will be welcomed, and we will work together, if I'm fortunate enough to be elected President.

"People often ask me how a conservative Republican such as myself could have been elected in Massachusetts. I tell them that there were three things that helped account for my improbable victory.

"First, the state was in a fiscal crisis. A meltdown, of sorts. State government couldn't get budgets done on time. Another big tax hike looked like it was on the way. I promised to balance the budget without raising taxes. And together with the legislature, that's what we did. We

eliminated a \$3 billion shortfall. And by the time I left, my surpluses had replenished the rainy-day fund to over \$2 billion.

"Second, we were in an economic crisis. Massachusetts was losing jobs every month and our citizens were afraid of losing more. I went to work to bring employers back to our state. By the end of the recession, we added 60,000 new jobs. We got our economic development act together – which explains much of the economic growth that the Commonwealth continues to experience even today.

"And third, we were in the beginnings of a cultural crisis. Social values also played a role in my campaign success. My opponent said she would sign a bill that would sanction same sex marriage. I said that I would oppose gay marriage and civil unions. My opponent favored bilingual education. I did not. I said that to be successful in America, children need to speak the language of America. And my opponent wanted to lower the age of consent for an abortion from 18 to 16 – and I did not.

"And so, social conservatives, many of them Democrats and Independents, joined fiscal conservatives to elect a Republican.

"That being said, I had no inkling that I would find myself in the center of the battlefield on virtually every major social question of our time.

"The first battle came when the Massachusetts Supreme Judicial Court, by a one vote majority, found a right to same sex marriage in our constitution. John Adams wrote that constitution. I'm sure he'd be surprised.

"The Court said that traditional marriage – the natural union of one man and one woman – 'is rooted in persistent prejudices' and 'works a deep and scarring hardship ... for no rational reason.'

"No rational reason? How about children? Isn't it clear that marriage provides the best environment for the development and nurturing of children? And isn't a child's development enhanced by having both a mother and a father?

"I believe that the Court got it wrong because it focused on the desires and perceived rights of adults.

"The Court should have focused on the needs of children. The ideal setting for the raising of a child is a home built

on a marriage between a loving mother and father.

"Then came the 'slippery slope' – not the argument but the reality.

"The implications of the marriage decision quickly went well beyond adult marriage. Efforts were made to change birth certificates by removing 'mother' and 'father' and replacing them with 'parent A' and 'parent B.' I said no to that. And parents of a child in second grade were told that their son is required to listen to the reading of a book called the 'King and the King,' about a prince who marries another prince. The school's rationale was since same sex marriage was legal, the education system should advance the idea.

"And then another slide along the slippery slope. The Catholic Church was forced to end its adoption service, which was crucial in helping the state find homes for some of our most difficult to place children. Why? Because the Church favors placements in homes with a mother and a father. Now, even religious freedom was being trumped by the new-found 'right' of gay marriage. I immediately drafted and introduced legislation to grant religious liberty protection, but the legislature wouldn't even take it up.

"When I was Governor, we took every conceivable step within the law to stop, block or slow down this unprecedented court decision.

"Our goal was to take the decision away from the Court and give it back to the people. But yesterday, the Massachusetts state legislature, at the urging of the new Democratic Governor, refused to allow the voice of the people to be heard.

"The fight is not over.

"We need to take this battle to Washington again. We need to explain the far-reaching implications of the push to dramatically change our marriage laws. Now is the time to pass a federal marriage amendment to protect marriage in all 50 states.

"In the midst of that battle, another arose. It involved cloning and embryo farming for purposes of research. I studied the subject in great depth. I have high hopes for stem cell research. But for me, a bright moral line is crossed when we create new life for the sole purpose of experimentation and destruction.

"That's why I fought to keep cloning and embryo farming illegal.

"It was during this battle that I began to focus a good deal more of my thinking on abortion.

"When I first ran for office, while I was always personally opposed to abortion, I considered whether this should be a private decision or whether it should be a societal and government decision. I concluded that I would support the law as it was in place – effectively, the pro-choice position.

"And I was wrong.

"What became clear during the cloning debate is how the harsh logic of an absolute right to abortion had cheapened the value of human life to the point that rational people saw a human embryo as nothing more than mere research material to be used, and then destroyed.

"The slippery slope was taking us to racks and racks of living human embryos, Brave New World-like, awaiting termination.

"What some see as just a clump of cells is actually a human life. Human life has identity. Human life has the capacity to love and be loved. Human life has a profound dignity, undiminished by age or infirmity.

"My experience as Governor taught me firsthand that the threat to our culture is real and those in a position to do so must take action to defend it.

"Times of decision are moments of great clarity. Before I was Governor, the life issue was just that, an issue. But when responsibility for life or ending life was placed in my hands, I made the right decision. I chose life.

"Just like some others in the pro-life movement, a moment of decision became a defining moment.

"And so, every time I faced a decision as Governor that related to life, I came down on the side of life.

"I fought to ban cloning.

"I fought to ban embryo farming.

"I fought to define life as beginning at conception rather than at the time of implantation.

"I fought for abstinence education in our schools.

“And I vetoed a so-called emergency contraception bill that gave young girls abortive drugs without prescription or parental consent.

“That is my record as Governor of Massachusetts.

“Recently, I was attacked by one of my opponents because when I ran for Governor I promised to maintain the status quo with regards to laws relating to abortion in Massachusetts. Of course, I kept that promise. But in Massachusetts, that meant vetoing pro-choice legislation – as I consistently did as Governor. That’s why last month I was honored with an award from Massachusetts Citizens for Life in recognition of the actions I took as Governor to protect life.

“The next president, especially if faced with a hostile Congress, will be confronted with many legislative tests, such as challenging the Hyde amendment and advancing cloning. You can be sure that I will be bringing my gubernatorial experience – and my veto pen – with me to Washington.

“The larger problem is there are some people who believe that their pro-choice views must be imposed on everyone. More and more, the vehicle for this imposition is the courts.

“Some say that it is ‘OK’ for the courts to impose their personal public policy preferences on society. I am not among them.

“Make no mistake: the claimed rights of abortion-on-demand and same-sex marriage are not in the Constitution.

“Slowly but surely, the courts have taken it upon themselves to be the final arbiters of our lives. They have forgotten that the essence of democracy is the right to govern ourselves.

“Chief Justice John Roberts put it best at his confirmation hearing, when he described the role of a judge. ‘Judges and Justices are servants of the law,’ he said, ‘not the other way around. Judges are like umpires. Umpires don’t make the rules, they apply them ... and I will remember that it’s my job to call balls and strikes and not to pitch or bat.’

“Now that’s the type of Justice that I would appoint to the Court.

“On the tenth anniversary of *Roe v. Wade*, Ronald Reagan observed that the Court’s decision had not yet settled the abortion debate. It had become ‘a continuing prod to the conscience of the nation.’

“More than thirty years later, that is still the case. Numerous court decisions have not settled this question, but have further divided the nation. And *Roe v. Wade* continues to work its destructive logic throughout our society.

“This cannot continue.

“At the heart of American democracy is the principle that the most fundamental decisions should ultimately be decided by the people themselves.

“I certainly believe in treating all people with respect and dignity. You can’t be a pro-life Governor in the bluest of blue states without understanding that there are heartfelt and thoughtful arguments on both sides of the question.

“It is our great task to persuade our fellow citizens of the truth of our convictions.

“Strengthening our country and our families, protecting marriage and human life and preserving for our children the true blessings of liberty; these are noble purposes. I am confident we are worthy of them.

“After all, we are a decent people who have a commitment to the worth and dignity of every person. This is ingrained in our hearts and etched in our national purpose.

“Thank you.” ■

Since January 2007, Governor Romney Has Announced OVER 50 NEW POLICY PROPOSALS

Herzliya Conference: Governor Romney's Five-Point Strategy To Prevent A Nuclear Iran – Israel, 1/23/07

- ▲ Tighten economic sanctions
- ▲ Diplomatic isolation
- ▲ Encouraging Arab states to join efforts to prevent a nuclear Iran
- ▲ The military option remains on the table
- ▲ Support a Partnership for Prosperity and Progress to support progressive Muslim communities and leaders

Detroit Economic Club: Governor Romney's Economic Principles – Michigan, 2/7/07

- ▲ Allow middle class Americans to save tax-free
- ▲ Make the Bush tax cuts permanent
- ▲ Reinststitute a regulatory relief board to cut back regulations that choke off growth
- ▲ America needs national tort reform, not reform state-by-state
- ▲ Evaluate reforms to CAFE standards to develop a better way to get higher fleet mileage without market distortions

Restraining Government Spending – New Hampshire, 3/1/07

- ▲ Vetoing appropriations legislation that spends more than CPI-1%
- ▲ Give the President the line-item veto
- ▲ Review and reevaluate all federal spending programs

Repeal Of McCain-Feingold – Washington, D.C., 3/2/07

- ▲ Repeal the McCain-Feingold campaign finance law

Support For Clean Coal Technologies – West Virginia, 3/8/07

- ▲ Invest in research and innovation to find these cleaner and more efficient sources of energy from coal

Expanding Economic And Political Freedom In The Americas: A Seven-Point Strategy – Miami-Dade Lincoln Day Dinner, Florida, 3/9/07

- ▲ Isolate Castro with economic and diplomatic sanctions
- ▲ Focus foreign aid and foreign investments on those who stand alongside us
- ▲ Act to inform public opinion in Latin America
- ▲ Improve our economic ties in terms of free trade

- ▲ Rebuild relationships of respect and trust and friendship
- ▲ Reaffirm our appreciation of legal immigration
- ▲ Never ignore Latin America

Giving The President Stronger Tools To Cut Spending – New Hampshire, 3/10/07

- ▲ Give the Executive Branch the authority to spend up to 25% less than Congress appropriates

Protecting American Workers – Iowa, 3/22/07

- ▲ Allow workers the right to choose whether to join a union
- ▲ Prevent resources of the federal government should not be used to solicit or collect dues for politicized organizations

Club For Growth: Governor Romney's Tax Philosophy – Florida, 3/29/07

- ▲ Make the Bush tax cuts permanent
- ▲ Allow middle-income Americans to save tax-free
- ▲ Lower marginal tax rates for all Americans
- ▲ Make our corporate tax rate competitive with its international partners

Club For Growth: Regulator Reform Including Sarbanes-Oxley – Florida, 3/29/07

- ▲ Reform Sarbanes-Oxley

Rising To A New Generation Of Global Challenges – Foreign Affairs, Spring 2007

- ▲ Increase the size of the military by 100,000 troops
- ▲ Devote a minimum of 4% of GDP to Defense
- ▲ Achieve energy independence through innovation
- ▲ Empower regional civilian leaders to develop and execute regional plans and strategies
- ▲ Presidential Summit with our allies in the Islamic world and leading nations to form a united strategy for confronting Jihadists threats
- ▲ Expand alliances such as NATO and efforts among the world's leading nations to face the new threat of radical Jihad and increase our homeland security
- ▲ Build global and regional networks and capabilities of law enforcement and intelligence officials to confront Jihadists and other transnational threats

- ▲ Launch a Partnership for Prosperity and Progress to mobilize the resources of the developed world to empower moderate Muslims

Protecting American Taxpayers By Re-Imposing A Three-Fifths Supermajority Requirement – New Hampshire, 4/15/07

- ▲ Re-impose a three-fifths (60%) supermajority requirement on Congress to raise taxes

Abolishing The Death Tax – Iowa, 4/19/07

- ▲ Eliminate the death tax

Combating Nuclear Terrorism – New York, 4/26/07

- ▲ Empower a senior ambassador to lead efforts to prevent nuclear terrorism
- ▲ Make nuclear trafficking a crime against humanity
- ▲ Create a gold standard for nuclear security
- ▲ Frank, direct efforts with Russia on containing this threat
- ▲ Remove the incentive for dangerous civilian nuclear capabilities
- ▲ Expand and accelerate a range of other actions to combat nuclear terrorism

Governor Romney's Global Initiative For Values And Freedom: A Comprehensive Strategy To Defeat Radical Jihad, Ensure American Security And Advance Freedom And Human Rights Across The Globe – Colorado, 6/21/07

- ▲ Create the Special Partnership Force (SPF) to mobilize all elements of our national power in contested areas to defeat Jihadists
- ▲ Cut the Washington bureaucracy of the Office of Director of National Intelligence (ODNI) to put more resources and human intelligence in the field

Ocean's Initiatives – Colorado, 7/18/07

- ▲ Propose a "One-Strike, You're Ours" law for those convicted of sexually assaulting children using the Internet
- ▲ Enforce our nation's obscenity laws

Ask Mitt Anything – Iowa, 7/26/07

- ▲ Work with computer and software companies to ensure that every home computer has effective software to filter out unwanted pornography

Ask Mitt Anything – Iowa, 8/2/07

- ▲ Propose a new ethics law to strip the pensions of those government employees and appointees who violate the public trust

Southern Border Visit – California, 8/13/07

- ▲ Secure the border through a physical fence or wall and other electronic systems
- ▲ Implement an enforceable employer verification system
- ▲ Reject amnesty
- ▲ Punish sanctuary cities
- ▲ Improve interior enforcement
- ▲ Encourage legal immigration

Greer Chamber Of Commerce – South Carolina, 8/16/07

- ▲ Put in place a statutory prohibition on outrageous punitive damage awards
- ▲ Require more disclosure in contingency fee arrangements

Florida Medical Association – Florida, 8/24/07

- ▲ Establish federal incentives to deregulate and reform state health insurance markets so market forces can work
- ▲ Redirect federal spending on "free care" to help the low-income uninsured purchase private insurance
- ▲ Institute Health Savings Account (HSA) enhancements and the full deductibility of qualified medical expenses
- ▲ Promote innovation in Medicaid
- ▲ Implement medical liability reform
- ▲ Bring market dynamics and modern technology to health care.

Ask Mitt Anything – New Hampshire, 9/8/07

- ▲ Specifics to middle class tax saving plan
- ▲ Any taxpayer with Adjusted Gross Income of under \$200,000 would pay a tax rate of 0% on all of the income they earn from their savings, capital gains and dividends



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