

MORAN REPORT 2008: Section 4

Economic Freedom & Prosperity In U.S. Foreign Policy And Operations

The Critical & Missing Component Of U.S. Soft Strategy
(The Synergy Of The Free Market Place Applied)

Peace Through Prosperity

Action Plan

Talking Points - Bottom/Up Rationale

**Frances Brigham Johnson - Author
Strategic Planning Initiatives
Co - Chair**

**Bruce J. Moran Co-Author
Strategic Planning Initiatives
Founder & Co-Chair**

**06/10/08 Advisor Release
07/31/08 General Public and Media Release**

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan

The Critical & Missing Component In USG Soft Strategy

**MOUNT FULL-SCALE AMERICAN ECONOMIC FREEDOM
AND PROSPERITY INITIATIVE – TO REDUCE U.S. TROOP
RECRUITMENT NEEDS FOR MIDDLE EAST**

A Medium Term Strategy To Replace U.S. Troops with "Citizen Patriots": First Target -- Iraq. Next Targets – China, Russia, et al.

***SUMMARY OF RATIONALE – EXAMPLE: BUILDING A NEW
IRAQ:***

U.S. National Security is not fully served by current U.S. Foreign Economic Policy and Operations. Critical, practical and sound elements of a robust United States Economic Freedom & Prosperity strategy are omitted. These are elements which build a middle class, check poverty, and counter terrorism in the Middle East and elsewhere. The U.S. Economic Freedom country by country strategy can start with operations in Iraq and Afghanistan. Then the U.S. strategy can be spread to states such as China, Russia, Indonesia, and Brazil where “Citizen Patriots” will arise to defend liberty against authoritarian governors, oppressive provincial officials and self-serving mayors.

Through the diffusion of Economic Power which creates individual prosperity, a new and growing middle class will evolve which attains status, rights and new found freedoms. With these freedoms, Ordinary People in Iraq gain individual liberty, power and sovereignty. Ordinary People then have a vested interest in securing their families, homes, assets, and individual wealth. Given this experience, Ordinary People support the local sheriff, police and judges -- whom they trust, see and know as protectors and defenders. They become "Citizen Patriots" who rise up in support of national security forces. As they do so in Iraq and nearby states, requirements for U.S. forces in the Middle East diminish. As Economic Freedom spreads, requirements for future U.S. force intervention diminish around the world, including China, Africa and Latin America.

END SUMMARY OF ACTION PLAN - RATIONALE

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

RECOMMENDATION: It is timely for the President, Presidential Candidates, Congress and the Executive Branch to advance Economic Freedom & Prosperity as a critical part of the USG Foreign Strategy, starting in the Middle East, focusing on Iraq. The United States must now bring to life Economic Freedom & Prosperity as a compelling instrument to reduce the time and number of U.S. troops required for insurgency situations. Ordinary Iraqis -- men and women with secure property rights, status, and a material stake in their country -- will come forth with critical intelligence and more Iraqi enlistments to support country police and military forces. They will help put the insurgents to rout [as in Anwar Province] because they have: 1) security in the streets so they can do their daily shopping, send their kids to school, and go to work, 2) protected land for personal and business transactions, 3) protected kids and home environment where they do not have to feel in danger every night and 4) the feeling of confidence that they are beginning to control their own destiny. With the full-fledged Economic Freedom & Prosperity Initiative launched in Iraq, the Pentagon should see requirements for U.S. troops abroad diminish sooner rather than later in the Middle East.

ISSUE:

THE BASIC PRINCIPLES OF ECONOMIC FREEDOM & PROSPERITY ARE COVERED IN THE TENETS OF THE QUR'AN AND THE WORDS OF THE PROPHET.

With Secretary Robert Gates and former Secretary Rumsfeld having recruiting troubles for military personnel in Middle East countries, the Defense Department has a direct interest in seeing the U.S. Foreign Affairs Corps do more to instill personal hope and confidence amongst fearful Iraqis. In conversations about the rewards and benefits of Economic Freedom & Prosperity, our emissaries will be offering Iraqi leaders and Ordinary People a stake in protecting their personal and community interests -- as has transpired in Anwar province and is now moving throughout Iraq. When people see that they can control their own destiny, *the long held hope for tangible security*, liberty and freedom spreads and widens through local

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

ISSUE Con't:

THE BASIC PRINCIPLES OF ECONOMIC FREEDOM & PROSPERITY ARE COVERED IN THE TENETS OF THE QUR'AN AND THE WORDS OF THE PROPHET.

rural communities to larger towns then on to various pockets in the big cities. *When people see tangible results in one pocket of a big city, they move to work with other people in adjacent neighborhoods to secure and protect themselves, their families, friends and neighbors.* Individual Sovereignty is now taking hold in Iraq.

When American emissaries and Iraqi officials spread the message of Economic Freedom & Prosperity, Iraqi citizens, men and women, will respond because they will be empowered to make bread and butter choices and pursue personal decisions. They will have freedom and liberty to chart their own lives in the market place and on the street.

In conducting foreign policy the United States strives to apply four elements of national power: "Diplomatic," "Information," "Military" and "Economic" power.

AMERICA'S APPLICATION OF "ECONOMIC POWER" IS ONLY PARTIAL IN IRAQ, PALESTINE, PAKISTAN, AFGHANISTAN, LATIN AMERICA, CHINA, RUSSIA, INDONESIA, AND ELSEWHERE.

The United States must now step up to encourage and persuade Iraqis and others to fully release the transformational power of self determined security, freedom, liberty, all-Inclusive Titled Property Rights and Economic Freedom throughout total populations.

Applied to Iraq, the motivating force of Economic Freedom & Prosperity will energize all Iraqis, from North to South. Ordinary People will see that their fate and personal futures are tied to making sure that the New Iraq overcomes enemy insurgents and foreign terrorists. Iraqi leaders must seek

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

ISSUE Con't:

THE BASIC PRINCIPLES OF ECONOMIC FREEDOM & PROSPERITY ARE COVERED IN THE TENETS OF THE QUR'AN AND THE WORDS OF THE PROPHET.

and secure the active engagement of Ordinary People in spreading news about the personal rewards and opportunities of Economic Freedom.

Otherwise, **WITH NO CRITICAL MASS OF IRAQIS WILLING TO FIGHT FOR FREEDOM, THE ENEMY NEED NOT WIN A SINGLE BATTLE.** As Clifford May points out, **"ALL THAT THE ENEMY HAS TO DO IS ERODE OUR WILL TO FIGHT."** (Washington Times, June 5, 2005.)

BOTTOM LINE: Without widely disseminated Economic Freedom, the Iraqi democratic society will miss the critical impetus to sustain general prosperity and a pluralistic government. U.S. **Foreign Policy has failed in countries where 1) sustained, broad scale economic growth has been taken for granted and 2) "Citizen Patriots" had nothing to stand up and fight for.** Iraqis need a dream of their future, an Iraq Dream like an American Dream. Inspired with hope and confidence, Iraqis will strive for personal freedom, security, independence, and prosperity.

TO WIN A LASTING VICTORY IN IRAQ, A VICTORY ENDORSED AND FUELED BY ORDINARY PEOPLE, THE PRESIDENT, PRESIDENTIAL CANDIDATES, CONGRESS AND EXECUTIVE BRANCH MUST ESTABLISH A FULL-FLEDGED ECONOMIC FREEDOM INITIATIVE AT ONCE.

The UNIFIED USG message and promise of Economic Freedom must touch the everyday lives of people as well as the deliberations of local community leaders, governors and Iraqi ministers. Ordinary People are the ones who fight for freedom in the trenches, on the back streets, in their homes, at the dinner table, and in the newspapers. Ordinary People are the

TALKING POINTS – BOTTOM/UP RATIONALE Economic Freedom & Prosperity – Action Plan

The Critical & Missing Component In USG Soft Strategy

BOTTOM LINE con't: ones who put their lives on the line every day. **Ordinary People will not stand for:** “the insurgents goal... to disrupt and demoralize the [Iraqi] Security Services and incite a sectarian civil war of revenge.” [Source: Barry Anderson, “The Insurgent’s Power Play.” Washington Post, June 2, 2005]

CURRENT GROUND RULES GOVERNING U.S. PROGRAMS IN EMERGING COUNTRIES AND FAILING STATES “FALL SHORT” OF PROMOTING FULL FLEDGED ECONOMIC FREEDOM

THE 2007 ANALYSIS PROVIDED TO THE ADMINISTRATION FOR SETTING THE DIRECTIVE FOR U.S. MILLENIUM CHALLENGE ACCOUNT [MCA] ECONOMIC PROGRAMS AND OPERATIONS ABROAD ERRS IN NOT PAYING DUE ATTENTION TO THE ORDINARY PERSON'S LIBERTIES, INDUSTRIOUSNESS AND INDIVIDUAL ENTERPRISE. THESE ARE THE FOUNDATIONS FOR ECONOMIC FREEDOM.

The Administration’s Directive, concerning the special annual MCA U.S. foreign economic program, will reach only an estimated 10 or more countries each year. The Directive is heavily weighted to provide large U.S. financial rewards for countries that have dealt with macroeconomic issues (e.g., fiscal policy and price inflation) and have expended significant public funds on health and education. In addition, efforts to modernize judicial services and promote transparency are recognized and rewarded.

But the U.S. Directive gives only passing recognition for countries that institute systemic changes to promote 1) Entrepreneurship 2) All-Inclusive Titled Property Rights and 3) Political Capacity To Sustain Reforms.

These three conditions are classified as priority and essential in the April 2004, George Mason University Report by Peter Boettke, Paul Aligic and Brian Hooks:

“On (USG) Criteria for Determining Eligibility of Candidate Countries for Millennium Challenge Account Assistance.”

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

CURRENT GROUND RULES GOVERNING U.S. PROGRAMS IN EMERGING COUNTRIES AND FAILING STATES “FALL SHORT” OF PROMOTING FULL FLEDGED ECONOMIC FREEDOM con’t:

In addition, Section 607 (B) (1) (C) OF THE ACT CLEARLY STATES THAT COUNTRIES ARE TO BE EVALUATED ON THEIR: DEMONSTRATED COMMITMENT TO “PROTECT” PRIVATE PROPERTY RIGHTS.

Peter Boettke continues: “Therefore, it is puzzling that the indicators do not explicitly include a measure of a country’s progress for this end.”

Examples of institutional changes that countries can make to promote entrepreneurship among Ordinary People across whole nations are:

- 1) **R**emoving over-regulation and other obstacles to entrepreneurs -- cross total countries
- 2) **C**reating friendly business climates for ALL people
- 3) **F**ostering economic independence for ordinary people (e.g., by establishing over-arching national law that institutes titled property rights for all, and by enforcing contracts and lifting taxes on business.)

These changes will open opportunity across total countries for small and large enterprises, foreign and domestic.

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

CURRENT GROUND RULES GOVERNING U.S. PROGRAMS IN EMERGING COUNTRIES AND FAILING STATES “FALL SHORT” OF PROMOTING FULL FLEDGED ECONOMIC FREEDOM con’t:

Ordinary Iraqis should not be subjected to the same misdirection in Economic Freedom as experienced in the new Caucasus State of Georgia. *Paata Sheshelidze*, President of the independent free market Think Tank, “*New Economics School-Tbilisi*,” adeptly points out: *“Georgians and the whole Caucasus are in need of raising their families’ income and enlarging their property by production and voluntary exchange of goods and services with all people of all nations, but not foreign aid and subsidies that corrupt and decrease incentives of hard working people. Georgian and South Caucasian Governments are in need of earnings-based consultancies and not irresponsible foreign bureaucratic advisers. Our economies need free enterprise and international trade, but not heavy tax burdens and tariff barriers. We need the elimination of regulation and licenses in production of all kinds of goods and services, but not discretionary government interventions, price control and overspending.”*

It should be duly noted that the “*New Economics School*” of Tbilisi, Georgia, received the *Templeton Freedom Prize and Templeton Freedom Award* during the Liberty Forum organized by the Atlas Economic Research Foundation and Manhattan Institute in Miami on 26-28 April 2005.

“Everyone wants to live at the expense of the state. They forget that the state wants to live at the expense of everyone.”

Frederic Bastiat

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

AMERICAN PUBLIC DIPLOMACY

AMERICAN PUBLIC DIPLOMACY WORLDWIDE. THE MISSING ELEMENT: ECONOMIC FREEDOM AND ALL-INCLUSIVE TITLED PROPERTY RIGHTS FOR “ORDINARY PEOPLE.”

America’s booming prosperity and ubiquitous presence in global markets are much admired and desired by emerging countries around the world, including Middle Eastern countries. A “critical” element that fuels U.S. prosperity is Economic Freedom and all-inclusive property rights for ordinary people. Yet who has heard this “key” element examined and discussed as a central theme in U.S. Public Diplomacy?

Why not use Public Diplomacy to ease fears, tensions and frustrations by letting foreigners know the secret of how Americans become prosperous? In dialogue the U.S. Foreign Affairs Corps can reveal to people in foreign countries how they, too, can become prosperous and “fully connected” [Thomas P.M. Barnett] with the global economy. Most Third World countries want to be put on the map with the global economy.

American diplomats are prone to show embarrassment about the fact that Americans choose not to invest in countries which have hostile and restrictive business climates. However, U.S. Public Diplomacy can and should openly engage in frank and illuminating exchanges with Arabs, Africans, Asians and Latin Americans concerning the rewards, benefits and opportunities stemming from Economic Freedom & Prosperity Initiatives, its tenets and practices.

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

AMERICAN PUBLIC DIPLOMACY

AMERICAN PUBLIC DIPLOMACY WORLDWIDE. THE MISSING ELEMENT: ECONOMIC FREEDOM AND ALL-INCLUSIVE TITLED PROPERTY RIGHTS FOR “ORDINARY PEOPLE.” con’t:

Our Foreign Affairs Corps should likewise bring the subject into conversations with France, Germany and other members of the European community who directly or indirectly advocate the ‘precautionary principle’ which is Top-down government control rather than bottom up infused free market and expanding robust liberal economic policy.

With France, for instance, we can look at the country's economic problems that spring from stifling taxation, heavy government regulation, trade protectionism, and the high-cost of welfare programs. Given these crippling blows against business success as of 2007, France's stated desire to resurrect its small business sector has little likelihood of becoming a reality, using the means it has in mind. France intends to make small business a burgeoning producer of jobs and income, in the way the small business sector succeeds in the United States. For this, France is spending over \$3 billion on projects which range from biotechnology to communications and nanotechnology. This public spending is on top of French payments for Airbus, space and nuclear programs.

France neglects a key ingredient for success. How can heavy taxation, heavy government regulation, trade protectionism, the high cost of welfare, and lack of education on positive free enterprise values allowing the ordinary person in France to become industrious, creative, sovereign and free enterprising?

"Economic growth imposes a hectic form of life, producing overwork, stress, nervous depression, cardiovascular disease and, according to some, even the development of cancer," asserts Histoire du XXe siècle , a text memorised by French high-school students as they prepare for entrance exams to prestigious universities. Start-ups, the book tells students, are "audacious enterprises" with "ill-defined prospects." ...

*Europe's School Books Demonise Enterprise,
Stefan Theil, 01/08/08, Financial Times.*

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

AMERICAN PUBLIC DIPLOMACY

AMERICAN PUBLIC DIPLOMACY WORLDWIDE. THE MISSING ELEMENT: ECONOMIC FREEDOM AND ALL-INCLUSIVE TITLED PROPERTY RIGHTS FOR “ORDINARY PEOPLE” con’t:

How U.S. Government officials are apt to portray the contribution of American business to global prosperity, particularly in poor countries, can be seen from an open discussion of Public Diplomacy. The discussion occurred during the all day meeting of the Advisory Committee on Foreign Aid held at the National Press Club on May 25, 2005.

One observer took issue with the AID Administrator for earlier chastising American business for investing so little in underdeveloped countries. The commentator noted that *American Diplomats [i.e., Public Diplomacy officials], are not explaining the wisdom of “sound business principles.” Diplomats are not sticking up for the “good sense” of American business executives. Diplomats should make known why executives “prudently refrain” from putting venture capital and investor assets into situations sure to fail.*

The panel was told that our Public Diplomacy Corps should go to the mat and engage countries in examining -- head on -- the implications of the “lack” of Economic Freedom. When American Diplomats become more direct in discussing attributes and the positive values of the free market forces, we will be doing foreign nationals a greater favor. Our Diplomats will quit pretending that restrictive regimes qualify for capital flows from abroad. Refusal of successful U.S. business “to put money on the barrel head” is a mighty teacher.

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

AMERICAN PUBLIC DIPLOMACY

AMERICAN PUBLIC DIPLOMACY WORLDWIDE. THE MISSING ELEMENT: ECONOMIC FREEDOM AND ALL-INCLUSIVE TITLED PROPERTY RIGHTS FOR ORDINARY PEOPLE con't:

Foreign countries that are maintaining unfriendly, onerous and impossible business climates must come to discover themselves that they will not attract capital investment. They must come to see the cost and consequences of such recalcitrant behavior -- in terms of economic stagnation and market isolation. Leaders abroad must take to heart the reality that Americans and others in the business sector will stay away if restrictive conditions persist. American foreign policy should not reward countries that, as a consequence of their own decisions, thwart growth of domestic and individual enterprises that can reduce poverty.

Nor should the United States offer or pay bounties to countries that “initiate formalities” to liberalize economies and institute “some” good governance.

On the contrary, America's advice to under-performing countries should be that, as they undertake economic and administrative reforms, they will reap rewards aplenty. They will see their economies grow since the people at large will expand their economic activity by leaps and bounds. What's more, government revenues will increase to finance health, education and infrastructure requirements. Reforming countries will also see more and more foreign traders and investors choose to do business with them, thereby increasing the rate of GNP growth, overall productivity and general prosperity...in line with experience of other nations that opt for free market economies. Think here of Ireland, Singapore and Australia.

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

AMERICAN PUBLIC DIPLOMACY

AMERICAN PUBLIC DIPLOMACY WORLDWIDE. THE MISSING ELEMENT: ECONOMIC FREEDOM AND ALL- INCLUSIVE TITLED PROPERTY RIGHTS FOR ORDINARY PEOPLE con't:

It is noteworthy that the Council on Foreign Relations in a report of June 5, 2005, recommends that "Washington use financial support for political and economic openings." The report appears to miss the mark by failing to call for "key" operational changes at the State Department to coordinate and oversee fresh dialogue in lagging countries – dialogue that would stimulate economic reform abroad. Instead, the Council seems to eschew new U.S. Public Diplomacy by U.S. Country Teams to stimulate democratic free market reform. Contrary-wise, *the Council recommends the use of American tax payer dollars to finance incentives for change in the Middle East.*

The Council on Foreign Relation's advice parallels that of former AID Administrator Natsios who, in a 2004 Hoover Institution article on "tough love," recommends tangibly rewarding good performing countries with more foreign aid as well as incentives for foreign investment. He does not mention how such rewards will be financed. (See Natsios, "International Relations...and the National Interest," Hoover Institution, 2004-No. 1.)

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

AMERICAN PUBLIC DIPLOMACY

AMERICAN PUBLIC DIPLOMACY WORLDWIDE. THE MISSING ELEMENT: ECONOMIC FREEDOM AND ALL-INCLUSIVE TITLED PROPERTY RIGHTS FOR ORDINARY PEOPLE con't:

Consequently, American diplomats can help peers abroad and the general public talk about elements of business climates of economically free countries, pointing to the faster growth these countries enjoy. To encourage lagging countries to discover and emulate practices of the faster growing economies, the Foreign Service Corps can encourage reform-minded body politics and public officials to identify and remove obstacles which impede growth of local and national businesses -- small, medium and large.

County Economic Freedom reform elements are fully spelled out in: 1) the Heritage/Wall Street Journal “Index of Economic Freedom” 2) the Fraser Institute “Economic Freedom of the World Project” 3) Property Rights Alliance “International Property Rights Index” and 4) the deregulation and all-inclusive titled property rights approach outlined by Peru's Institute for Liberty and Democracy.

American Embassies need not be lone voices in examining, articulating and advocating the advantages and rewards of all-inclusive Economic Freedom regimes. The American Foreign Affairs Corps can find good friends, associates and allies to join them by becoming acquainted with experts in private Economic Freedom Think Tanks.

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

AMERICAN PUBLIC DIPLOMACY

AMERICAN PUBLIC DIPLOMACY WORLDWIDE. THE MISSING ELEMENT: ECONOMIC FREEDOM AND ALL-INCLUSIVE TITLED PROPERTY RIGHTS FOR ORDINARY PEOPLE con't:

PRIVATE ECONOMIC FREEDOM THINK TANKS GLOBAL

Private research and education Economic Freedom organizations can be found all over Europe and in Asia, South Asia, Middle East, the Near East, Latin America and Africa. *The Atlas Economic Research Foundation has for years been finding and enabling bright national leaders to start up and operate private, independent Think Tanks.* With additional private sponsors, Opportunities no doubt exist for extending the research, education and information work of these beacons of light, including exchange programs. Examples are:

1. Center for Liberal-Democratic Studies, Belgrade, Yugoslavia
2. Liberty Institute, New Delhi, India
3. Association for Liberal Thinking, Ankara, Turkey
4. Centro de Investigaciones Econmico Nacionales, Guatemala
5. Instituto Libertad y Desarrollo, Santiago, Chile
6. Scientific Research Mises Center, Minsk, Belarus
7. Maxim Institute, Auckland, New Zealand
8. Unirule Institute, Beijing, China
9. Instituto Liberal, Rio de Janeiro, Brazil
10. Center for Media Freedom and Responsibility, Makati City, Phillipines
11. Escuela Superior de Economia & Administracion De Empresas Buenos Aires, Argentina
12. Center for Civic Education – Pakistan, Islamabad, Pakistan
13. Freedom Institute, Jakarta, Indonesia
14. Al-Urdan Al-Jadid Research Center, Amman, Jordan
15. Egyptian Union For Liberal Youth, Cairo, Egypt
16. Iraqi Institute For Economic Reform, Baghdad, Iraq
17. Inter Region Economic Network, Nairobi, Kenya
18. Institute Of Economic Affairs, Christianborg, Accra, Ghana

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

AMERICAN PUBLIC DIPLOMACY

AMERICAN PUBLIC DIPLOMACY WORLDWIDE. THE MISSING ELEMENT: ECONOMIC FREEDOM AND ALL-INCLUSIVE TITLED PROPERTY RIGHTS FOR ORDINARY PEOPLE con't:

PRIVATE ECONOMIC FREEDOM THINK TANKS GLOBAL

American Embassies and domestic U.S. Foreign Affairs Staff can readily acquaint themselves with findings and recommendations of these research and education free market think tanks.

American Embassies and domestic U.S. Foreign Affairs Staff can meet Think Tank executive directors, writers and researchers, transmit pertinent recommendations and findings to the White House, Executive Branch and the public. In public briefings and reports to headquarters, U.S. Foreign Affairs Staff can cover perspectives of news and views emanating from Think Tanks worldwide. Doing so will equip U.S. professionals with local pertinent, key knowledge and insight sometimes scarce to find from conversations with and writings of Heads of State, government officials, public officials and foreign news services here and abroad.

SUMMARY: AMERICAN PUBLIC DIPLOMACY:

As long as U.S. Diplomats and the U.S. Foreign Affairs Corps are known for regularly decrying normal and accepted business practices of American firms, we are fighting an uphill battle against spreading principled, sound, and viable Economic Freedom messages abroad.

Foreign citizens upon hearing disparaging messages about American business, motivations and practices come to distrust and disdain Americans. Americans who are willing and able to invest and help establish indigenous businesses meet unnecessary opposition e.g. “negative press and U.S. derogatory remarks.” Questioning and dismissing potential private sector contributions to economic growth do not help improve the situation of Ordinary People. These messages can take their toll in changing the situation of the Ordinary People on the street who need jobs to support their families and want to start businesses as partnerships with Americans or other foreigners.

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

AMERICAN PUBLIC DIPLOMACY WORLDWIDE. THE MISSING ELEMENT: ECONOMIC FREEDOM AND ALL-INCLUSIVE TITLED PROPERTY RIGHTS FOR ORDINARY PEOPLE con't:

SUMMARY: AMERICAN PUBLIC DIPLOMACY:

For Public Diplomacy, fueling anti-American sentiment [culture, traditions, society, and business] while at the same time beginning to introduce a broad Economic Freedom message, will not work. The practice is equivalent to first taking two steps backward by deriding American culture and American business practices, then moving two steps forward by advocating Economic Freedom for others.

This behavior is a zero sum gain. We do not need to work against ourselves. Middle Easterners, especially Iraqis, have had their emotions highly frayed and torn by Saddam Hussein, Baathist Party holdovers, Al-Jazeera, insurgents, terrorists and Al-qaeda networks. It is time to call for reeducating, reorienting, retasking and retooling the Interagency Foreign Affairs Corps so we are all on the same page.

To implement the Soft Power Strategy, American diplomats must deliver a constructive Middle East message on 1) the measures of the International Property Rights Index 2) the De Soto Country Strategy Components for Economic Freedom & Prosperity and 3) the Goals, Objectives and Strategies laid out to achieve a Civil Opportunity Society [See Section 2]. In doing so, they will provide a clear viable path for progress in the Middle East region, including Iraq. The outcome should be economic progress and sustained growth for the Ordinary Person.

END SUMMARY: AMERICAN PUBLIC DIPLOMACY

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

Questions And Answers

AMERICAN PUBLIC DIPLOMACY WORLDWIDE. THE MISSING ELEMENT: ECONOMIC FREEDOM AND ALL-INCLUSIVE TITLED PROPERTY RIGHTS FOR ORDINARY PEOPLE con't:

QUESTIONS: **T**o Ordinary Iraqis on the street, what is Economic Freedom? (Repeat: To ordinary Iraqis on the street, what is Economic Freedom?) **H**ow will economic growth be sustained FOR ALL in Iraq? **H**ow can the U.S. Foreign Affairs Corps be seen and heard as responding to the Iraqi peoples' deep desire for personal sovereignty -- sovereignty that comes with Economic Freedom, security, independence, and prosperity?

ANSWERS: **B**y using conversation and persuasion, our U.S. emissaries including U.S. candidates for office can encourage Iraqi leaders and other Middle East allies, to assure the Iraqi people-at-large that Economic Freedom will be the order of the day in the Iraq.

ANSWERS: **I**n open dialogues [“exploratory discussions” and “in-country discoveries”], the people will hear that their Iraqi leaders will work to see that they have a healthy environment for economic activity. **Individual economic activity is the Ordinary Person's way out of despair, grief, anger, suppression and servitude.**

Citizens will be able to trade their goods and services efficiently, avoid heavy taxes on their transactions, and overcome heavy handed regulation as well as top down outrageous corruption previously imposed by privileged rulers. (See: John Taylor Comments Page 16)

News and stories can be spread about how Iraqis are enjoying Economic Freedom. Encouraged by Iraqi and American staff of the Center for Individual Private Enterprise [CIPE], these stories are already be passed along by radio, television, newspapers and the Internet. Programs like CIPE, should be extended and built upon

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

Questions And Answers

AMERICAN PUBLIC DIPLOMACY WORLDWIDE. THE MISSING ELEMENT: ECONOMIC FREEDOM AND ALL- INCLUSIVE TITLED PROPERTY RIGHTS FOR ORDINARY PEOPLE con't:

throughout Iraq and the Middle East through Regional Sustainable Development Programs coupled with Productivity Teams. The private not-for- profit organization formed by off duty Marines called the Spirit of America, can be encouraged to spread the word, telling stories and news about personal experiences and successes.

Example in one year: The Spirit of America raised \$56,000 for 10,000 school supply kits, 3 tons of medical supplies and 15,000 flying discs emblazoned with the word "friendship" in both English and Arabic. Members of the 1st Marine Division from Camp Pendleton, Calif., will take the donations with them to Iraq. The Foreign Affairs Corps can regularly spread stories about what these Marines are doing.

Quite importantly, with the cooperation of current Iraq officials, the Ordinary Iraqis On The Street will see personal freedoms and property rights enforced. They will come to believe that they can mobilize their assets for future sales and profits.

ANSWERS: OVER TIME, ORDINARY IRAQIS WILL SEE THAT PERSONAL LIBERTIES, INDUSTRIOUSNESS AND INDIVIDUAL ENTERPRISE ARE SUPPORTED AND REWARDED, BRINGING THE MAJORITY INFORMAL SECTOR ON BOARD. They will see how free press can watch over what public officials do. They will hear that they, themselves, can help call for honest, independent judges and courts where they can get satisfaction for claims and protection for lives of family members. They will see corrupt officials exposed and prosecuted and political and civil rights protected. To realize their dreams for personal prosperity and happiness, they will work with their neighbors [as in Anwar Province] to help combat corruption and become sovereign individuals themselves.

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

Questions And Answers

The Center for International Private Enterprise (CIPE) Zogby Iraq Survey, December 2004, provides evidence of how Economic Freedom becomes a reality. In the CIPE survey, the Shiites, Sunnis and Kurds, alike, concur in the survey that the business environment requires substantial improvement in order to allow Ordinary People the opportunity to become industrious, enterprising and establish small businesses. The CIPE / Zogby report highlights that most Iraqis in the business community do not believe that any political party adequately represents business interests.

ANSWERS: The CIPE/Zogby survey further points out: The lack of access to business information and the inability of the Iraqi business community to effectively communicate within Iraq, are major stumbling blocks to the modernization of the Iraqi economy. [Nevertheless, Iraq's business community remains confident in Iraq's economic growth in both the short and the long term. CIPE 2004 Annual Report.]

In addition, a CIPE sponsored conference of 25 participants, representing 12 Iraqi political parties, focused on creating party platforms that addressed the need to grow a strong, free market-driven economy. This Economic Free Market Dimension was approved unanimously among all parties which included the Islamic Dawa Movement, Supreme Council Of Islamic Revolutionaries Of Iraq, Patriotic Kurdistan Union, and the Iraqi Communist Party.

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

BACKGROUND

HISTORIC ECONOMIC FREEDOM PRECEDENTS

A) THE LONG HISTORY OF PROPERTY RIGHTS AS MOTIVATING FORCES FOR CITIZENS ACTIVE IN SECURITY AND DEFENSE.

There is considerable history behind the practice of leaders offering property to convince soldiers and patriotic civilians to serve a cause. Military commanders have long known that people yearn for land and the sense of personal freedom and exhilaration it brings. Both **JULIUS CAESAR** and **GEORGE WASHINGTON** attracted recruits by promising land of their own in return for military service... The offer struck a chord... Soldiers signed up and the commanders prevailed.

JAMESTOWN and PLYMOUTH: During the first three years of their existence, Colonies Of Jamestown, Virginia, and Plymouth, Massachusetts, each suffered starvation, disease, and serious loss of life. They had been founded as communal settlements in 1607 and 1620, respectively. They were near collapse.

By 1610 Jamestown colonists were sick, indigent, bickering and whiling away their time bowling in the dirt streets. To turn the dire situation around, the colonial governor divided up the land and allocated it to settlers by name. Once responsible for their own livelihoods, the settlers turned to growing enough crops and capturing game to become self-sufficient and survive. They traded their surplus for general provisions. Jamestown not only survived as the first English speaking colony, it also began to grow and prosper. The people of Jamestown had been given a vested interest in their land -- a change which motivated them to succeed.

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

BACKGROUND

HISTORIC ECONOMIC FREEDOM PRECEDENTS

A) THE LONG HISTORY OF PROPERTY RIGHTS AS MOTIVATING FORCES FOR CITIZENS ACTIVE IN SECURITY AND DEFENSE.

Plymouth Settlers experienced a similar rough road. Of one hundred voyagers who sailed on the Mayflower late in 1620, fifty had died by the first summer. The harsh winter took its toll. Food was scant. Death rates were high. Husbands grumbled that their wives had to wash clothes for men down the street. By 1623 the governor, countering orders of the founders in London, rejected the “commons” approach of property management and allowed settlers to own and tend their own lots. Settlers planted, grew and procured what they lived on. Plymouth, like Jamestown, turned a corner and survived. Again, it was the **Plymouth Settlers**, like the **Iraqi and other Middle Easterners** can do, who had been given a stake in property that turned the situation around.

In 1862, **ABRAHAM LINCOLN** signed the **Homestead Act** to give pioneers a chance to own land, protect and defend it, and start new lives in the West. The U.S. Army, deployed across the West to secure the frontier, defended the pioneers who risked their lives to own land and build a future. The Army saw first hand the resoluteness and courage of the settlers, given the promise of land and the hope of freedom.

Like the settlers in Jamestown and Plymouth, owning property turned the tide. Americans clamored West to have a stake in their future.

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

BACKGROUND

HISTORIC ECONOMIC FREEDOM PRECEDENTS

B)THE MARSHALL PLAN EMPOWERED PRODUCERS AND SELLERS THROUGHOUT EUROPE'S ECONOMIES TO BUILD NATIONAL MARKETS, EXPAND TRADE ACROSS BORDERS AND PAY FOR NATO. con't:

Secretary of State GEORGE MARSHALL proposed the Marshall Plan in a speech at Harvard in June 1947. He was responding to desires of Europeans everywhere for Economic Freedom, Prosperity, Security, and National Stability.

Two years after World War II Europeans faced dire and dangerous circumstances. Disaster loomed. For instance, the United Kingdom was broke and could not pay for both butter and guns to stave off an ominous military attack by the USSR, or takeover by communism. The U.S. would have to face the Soviet Union without Britain as an ally. Other European countries were no better prepared to fend off the Soviet Union or communism.

IN 1948 CONGRESS RESPONDED BY ENACTING THE EUROPEAN RECOVERY PROGRAM, OR THE MARSHALL PLAN. The objective, according to Curt Tarnoff, was " to prevent economic deterioration of Europe, expansion of communism, and stagnations of world trade.

Europeans were ready to get down to the brass tacks of national survival. With the Marshall Plan, they geared up production, adopted policies necessary for free market systems and stable economies, and did what was necessary for people to bring national markets back to life and increase trade within Europe and with the world. This holds true today for what the Iraqis and other Middle Easterners can do for themselves within their own country, and how Middle

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

BACKGROUND

HISTORIC ECONOMIC FREEDOM PRECEDENTS

B)THE MARSHALL PLAN EMPOWERED PRODUCERS AND SELLERS THROUGHOUT EUROPE'S ECONOMIES TO BUILD NATIONAL MARKETS, EXPAND TRADE ACROSS BORDERS AND PAY FOR NATO. con't:

Easterners can now work effectively together through *Regional Sustainable Development Program - PROJECTS bolstered with work/study travel PRODUCTIVITY TEAMS.*

While the distributing of emergency food to thousands of Europeans was essential, the ORDER OF THE DAY WAS ECONOMIC RECOVERY AND GROWTH. Arrangements were made for elections and local debates. These elections and local debates were necessary, but secondary to staving off starvation and jumpstarting national economies.

United States policy makers today would do well to honor and respect lessons of the Marshall Plan and put first things first. That is, U.S. strategists should focus on the bread and butter Economic Freedom issues of national survival and growth for the Ordinary Person on the street. In Iraq and Afghanistan, the U.S. should focus on assuring that the “All” citizens will be able to secure their neighborhoods, shop for basic necessities, send their kids to school, earn a living, and conduct normal business of the day. This strategy entails “SYSTEMIC” change for total populations. PILOT PROJECTS THAT “ONLY” REACH SEVERAL VILLAGES OR COUNTIES WILL NOT SUFFICE. This set of priorities for total populations is in line with the Patreus bottom up Soft Strategy approach.

American Statesmen must encourage leaders of emerging countries to do what is necessary -- in league with Ordinary People on the street -- **to diffuse economic power among a**

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan
The Critical & Missing Component In USG Soft Strategy

BACKGROUND

HISTORIC ECONOMIC FREEDOM PRECEDENTS

B)THE MARSHALL PLAN EMPOWERED PRODUCERS AND SELLERS THROUGHOUT EUROPE'S ECONOMIES TO BUILD NATIONAL MARKETS, EXPAND TRADE ACROSS BORDERS AND PAY FOR NATO. con't:

growing middle class. This shift toward individual Economic Freedom is a sine qua non for long term political and social stability, representative government and an economy that sustains growth.

This formula for freer markets and general economic prosperity applies to RUSSIA, INDONESIA, AFRICA, CHINA and LATIN AMERICA as well as IRAQ and the MIDDLE EAST. [See: "The Marshall Plan From Those Who Made It Succeed." Edited by Constantine Menges, University Press of America]

In sum, the Petraeus Bottom-Up Soft Strategy approach for total populations must start local and, by extension, reorient and repoint the nation's political and economic institutions.

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan

CONCLUSION

**INNOVATION IN FOREIGN POLICY NOW REQUIRED
-- TO BOOST RESULTS & MORALE OF U.S. SECURITY FORCES --**

The time has come for innovative national security strategies to employ Economic & Diplomatic Soft Power to total populations to counter insurgents, terrorists, Islamofascists, Al–Qaeda, military juntas, dictators and tyrants in the Middle East and elsewhere. This includes: Iraq, Pakistan, and Afghanistan.

On this point, **Robert Novak** makes clear the critical necessity for innovation in U.S. foreign policy in his May 26, 2005, Sun-Times story, "Army's recruitment crisis deepens." He writes: "Retired Army officer Charles Krohn says: 'Army recruiting is in a death spiral, through no fault of the Army... the Army is having to compensate for a problem of national scope.'" Novak continued: "The Army's dilemma is maintaining an all-volunteer service when volunteering means going in harm's way in Iraq." THE DILEMMA EXTENDS TO NATIONAL POLICY.

“How can the United States maintain its global credibility against the Islamists, if military ranks cannot be filled by volunteers and there is no public will for a draft?” [Novak]

NO DOUBT THE PENTAGON WOULD WELCOME SOME WELL-TIMED INNOVATION OF SOFT POWER STRATEGY IN FOREIGN POLICY THAT WOULD POSITION THE UNITED STATES TO ACCOMPLISH ITS SECURITY GOALS IN IRAQ IN LESS TIME AND AT LESS COST -- IN TERMS OF LIVES AND RESOURCES.

DESIGNING AND CARRYING OUT A COMPREHENSIVE, COHESIVE ECONOMIC DIMENSION OF U. S. FOREIGN POLICY, STARTING WITH IRAQ & AFGHANISTAN, CAN BE WHAT WE DO TO REDIRECT U.S. FOREIGN ECONOMIC POLICY OPERATIONS TO AMELIORATE THE U.S. TROOP WITHDRAWAL DILEMMA.

WHERE U.S. NATIONAL SECURITY INTERESTS ARE HIGHEST, (SUCH AS IN IRAQ, CHINA AND COLOMBIA), STRATEGIES FOR SPREADING

TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity – Action Plan

CONCLUSION

**INNOVATION IN FOREIGN POLICY NOW REQUIRED
-- TO BOOST RESULTS & MORALE OF U.S. SECURITY FORCES --**

INDIVIDUAL ECONOMIC FREEDOM FOR ALL, ARE CRITICAL. FULL ECONOMIC FREEDOM STRATEGIES MUST BE SHAPED AND INTRODUCED NOW. IN PRIORITY COUNTRIES, THE ACTION WILL LED BY THE AMBASSADOR WHO OVERSEAS THE U.S. COUNTRY TEAM OPERATIONS, INCLUDING MILITARY AND INTELLIGENCE LIAISONS. NOW IS THE TIME FOR DECISION AND ACTION.

END CONCLUSION

Note: See Robert Novak’s May 26, 2005, Sun-Times article, “Army’s recruitment crisis deepens.” In it he highlights the pressing need for innovation in U.S. foreign policy to relieve American troop requirements in Iraq.

NOTE: Army and Marines Having Difficulty Meeting Goals In Recruiting. Military may Recruit Foreigners
Boston Globe | December 27, 2006

WASHINGTON - The armed forces, already struggling to meet recruiting goals, are considering expanding the number of noncitizens in the ranks -- including disputed proposals to open recruiting stations overseas and putting more immigrants on a faster track to U.S. citizenship if they volunteer -- according to Pentagon officials.

Foreign citizens serving in the U.S. military is a highly charged issue, which could expose the Pentagon to criticism that it is essentially using mercenaries to defend the country. Other analysts voice concern that a large contingent of noncitizens under arms could jeopardize national security or reflect badly on Americans' willingness to serve in uniform.

NOTE: RECRUITERS STRUGGLE TO FIND AN ARMY
By Frank Greve | McClatchy Newspapers November 9, 2007

THURMONT, Md. — The Army is struggling to find volunteers for an unpopular war, despite recruiting bonuses of up to \$20,000 and pay increases for enlistees that have beaten inflation by 21 percent since 2000.

It met its numeric goal of 80,000 recruits last year, but it paid a price in terms of declining numbers of high school graduates and lower scores on skills and physical tests. The percentage of minimally qualified Army recruits, known as Category IVs, has quadrupled since 2002, and the percentage that required special health or moral waivers has risen sharply as well.

And many recruiting problems preceded the Iraq war.

So what's really making good Army volunteers so hard to come by and, in a larger sense, sapping America's ability to fight a ground war or occupy foreign soil?

Pentagon and outside experts cite these factors in order of importance: While risks to U.S. troops are far lower than they were in most previous wars, young adults and their parents find them unacceptably high. Parents who went to college want their kids to go to college. So do parents who didn't. As the college-bound percentage of high school students has risen to two-thirds, the percentage that intends to enlist in any branch of the military has fallen by nearly two-thirds. Draft-era veterans, who for generations provided role models for military service, are dying off. A Pentagon study projects a 14 percent decline in high-quality recruits from a 10 percent drop in the veteran population. Most parents, grandparents, ministers and others whose approval potential recruits seek don't endorse enlistment these days. African-Americans, who joined the all-volunteer force in disproportional numbers for years, have cooled on military service recently. So have Hispanic Except among those who sign up, duty to country isn't an important value, according to Defense Department polls.

Armey Staff Sgt. Brandon Van Dusen, 26, a low-key Iraq infantry veteran who recruits in Thurmont, Md., a leafy, friendly farm town 50 miles northwest of Washington, sees all these factors. But the most powerful one, according to Van Dusen, who describes his own combat stint as "mostly boring," is fear, among recruits and their parents.

**NOTE: RECRUITERS STRUGGLE TO FIND AN ARMY Con't,
By Frank Greve | McClatchy Newspapers November 9, 2007**

"They all figure they're going to get sent to Iraq, be in a firefight in the first 10 seconds and die," he said.

While it may seem that way, it's not. Deaths among U.S. troops deployed in Iraq — currently about 169,000 — average 2.3 a day. By comparison, the daily U.S. toll in World War II was 307.

Put another way, U.S. troops in Iraq die at about three times the rate of stateside civilians of the same age and sex distribution, according to a study published in September in Population and Development Review. Per year deployed, the Iraq death risk for U.S. troops is about a fifth that for the Vietnam War, according to University of Pennsylvania demographer Samuel Preston and co-author Emily Buzzell.

They computed the death risk to be 1 in 250 per year of deployment in Iraq for the period from March 2003 to September 2006. That compares with a death risk among black men in Philadelphia ages 20 to 34 of about 1 in 230 — 9 percent greater.

END
TALKING POINTS – BOTTOM/UP RATIONALE
Economic Freedom & Prosperity - Action Plan