

Fiscy Award Acceptance Speech, January 5, 2011

Governor Mitch Daniels (Transcribed from extemporaneous remarks):

I'm grateful today, but for one thing. This wonderful recognition is going to lead to another round in my wise guy circle of friends at home of cheap jokes. It's a bum rap. Of course, it's not just there. I haven't seen Barry Anderson in ten years. He came right up and greeted me by name. I said "Barry, how wonderful of you to remember after so long." Barry said "To tell you the truth I'm not that good at faces, but I never forget a suit."

[Laughter]

People that think I'm cheap never met my father. When I was a kid, like many kids, in that day I had a couple of summer jobs and saved a little money. I said "Dad, what do you think about me buying a used car?" He said "Not much." But he said "But listen, you keep your grades up, read the Bible every night, and get a haircut and we'll talk about it." Six weeks later, I'm back and said "Dad, my report card is straight A's; I've been reading the Bible every night." He said "Your hair looks terrible." I said it was a long time ago. [Laughter] I said "Dad, it's right here in the Bible. Moses had long hair. Sampson had long hair. Jesus had long hair." My father said "Did you notice they all walked everywhere they went?!"

[Laughter]

Now, forgive a little purposeful frivolity. I thought the evening could use, maybe, just a little. And not because the subject on which we are convened is not of the most urgent and serious importance. Of course it is. But because I would hope that my short contribution to the wisdom that has already been expressed to my fellow awardees would be to leave everyone here with a slightly greater sense of encouragement and optimism that this important, this republic-saving cause, in which people here have been embarked for so long, actually is going to work out. I actually believe we are on the threshold of the breakthroughs we have looked for.

So, I want to pay tribute to the people who I have been able to share this evening with. You know, Senator Conrad, I will express this point of view that I have before. The single greatest thing that could happen to the United States of America, at this point in our history, would be if somehow within the party to which Senator Conrad belongs, a majority for economy in government were to arise. You have the field position. You have the trust. You have the favorable presumptions in our politics, as Democrats, to lead that. You are better equipped than people who wear my uniform are to lead the drive back to solvency. And so, Senator Conrad, you have been all too rare of a person in your party, who has spoken up honestly and forthrightly about these things. Bless you for it. Go forth and multiply.

[Applause]

And I will just say about Paul Ryan, in absentia, that I think he is the single most-promising figure in American public life today. I say that advisably, that is my point of view. I believe when—not if but when—America has successfully dealt with the excesses of the last few

decades and resumed its appropriate place as the strongest economy, the freest nation, the leader among nations, that when the historians write the story of that accomplishment, Ryan's name will be on page one. So you chose very well there, too.

I just want to salute the whole room. Everybody here in one way or another has been at this and many of you for a very long time. To those who conceived this evening and brought us together, I mean good grief. Walker, Bixby, and Maya, you all have been riding to Lexington for 20 or 30 years. I'm just so glad that you didn't fall off the horse and you didn't quit. I would like to say to you tonight that as someone who never expected to be, but has turned out to be, a practitioner of the political arts in elected office, I do believe that your long and brave and often lonely quest is going to have a happy ending. I'm just so glad you stuck it out and I think you're going to be glad, too.

I don't need to speak to this crowd, maybe any other crowd in America, but not this one about what needs doing. It is well understood in this room and I won't take you back over those perfectly obvious action steps that will lead us, eventually, to Social Security 2.0 and Medicare 2.0 and a right-sized federal government. I will say that we all recognize that this will happen only at the end of a very different and larger conversation with the American people, than has sometimes been the case.

No one here—I don't think except possibly Senator Conrad—will remember. Lost to history, but I think I can claim to have been the original 'obsessive' about earmarks. They were really just beginning to explode in 2001 and I spent a lot of useless time ranting about them. I think I can claim to be the first to rail and the first to fail. I didn't get anything successfully done.

I don't these days spend any time talking to people about them. I never use the phrase "waste, fraud, and abuse." All true, all pernicious. We ought to do everything we can to eliminate all of the above, but it trivializes something much, much larger. It misleads people into believing that somehow you will even move the needle after we have banished these practices.

No, the conversation has to be a much larger one. Then, as was emanated by the two previous speakers, it ultimately takes us to questions that are larger than dry policy. What kind of people do we believe ourselves to be in this country? Are we born to be free and self-determining citizens who are still willing to take risks, the kind of risks that lead to economic progress and a great society, accepting that sometimes it won't work out well?

On the subject of vocabulary, I'm thinking about swearing off, or looking for a preferable or superior alternative to the term "entitlements." George Carlin once said "What's another word for synonym?" [Laughter] I'm looking for one for entitlements. I think it evokes the wrong connotations. My reading is that as an American citizen you are entitled to life, liberty, and the pursuit of happiness. You are entitled to make of yourself all that your talent and hard work can make of you and your future. Beyond that, we are in the realm in which your neighbors agree, as a matter of choice, to help you when your luck runs out, to help you if things don't break right for you. We're going to need to talk with our fellow citizens, not merely about what's the right way forward, but what kind of people will chart that path. I stumbled over this great old British

phrase: “Now that the money has run out, we shall have to begin to think.” [Laughter] I think that’s where we are these days.

I want to present two thoughts to you that I hope are not redundant and I hope are additive to the evening. One is that on the path back to solvency, economic growth is an indispensable, primary objective.

I say this not as a matter of economic philosophy, but as a matter of mathematics. The growth of the private sector in the American economy is an absolutely indispensable element in conjunction with the disciplining of federal spending. In conjunction with changes in revenue policy.

I did not, I confess, make a deep study of—I have a day job now—I didn’t make a deep study of the last couple federal budgets. But I saw the number that I think is the most important one of all. And that is the growth assumption. A federal budget projection that leads, in my opinion, to disaster—Greek-like debt levels in a few years, therefore unacceptable, needs more work—has as a core assumption growth rates on a sustained basis that we haven’t seen since the 1950s. That is a pretty daunting thing, that we’ve got to do better than that to get in the game.

So, for the big changes that must come to America we must never lose sight of the need to support, enable, and facilitate through every means possible the most rapid possible growth of the private economy and federal policy has leaned against it in more ways than not. William Simon (Bill Simon) once said “It would be nice if America had a tax code that looks like someone designed it on purpose.” Kent made mention of this. This really must really be a central objective. I am for a tax system that generates more revenue, a lot more revenue—we’re going to need it. But we better be very mindful how we go after it. It may be emotionally satisfying to some people to put down on paper higher tax rates on people at certain income levels, but all that matters is how much money comes in the till. We have shot ourselves in the foot before and we can do it again if we are not careful.

I don’t come tonight to prescribe any one measure, as in all these other areas—social welfare reform and spending reduction. My attitude is “show me what you’ve got; I’m for almost anything that makes the math work.” But we must take steps, I believe, in regulatory policy, in tax policy, and across the spectrum of federal activity, all aimed at triggering and liberating the American private economy. I just submit that those who favor a more expansive, active, and more expensive federal state than I might, you have the biggest stake of all. We’ll never, ever get there if the private sector doesn’t grow at a far faster rate than today.

Second point, I just implore you not to fall prey to the temptation to believe that our fellow citizens don’t still have the right stuff for self-government. Folks here have worked very, very hard a long time and have had a very hard time getting people’s attention on these subjects. I know about the polls that say people think we can do it the easy way and without making big change. I know the statistics about how many people are already dependent of government for this or that percent of their income. I know about how a few people are paying much in the way of income tax and so forth. All true. But we must not yield to the temptation to doubt the ability of our fellow citizens to step up now when it counts the most.

It's a dangerous conclusion to come to. It can be a self-fulfilling and self-defeating one. I really believe, I say this as someone who has now spent a little time proposing big change in our small arena, big change by our standards to the 6.5 million people who employ me, that our fellow citizens will have the courage to support the necessary actions if we have the courage to propose them, and to advocate them, and explain them to them.

I think there are a lot of signs for this: the 2010 elections, reference was made. There is a stirring there, sure, but it was just step one. It was all diagnosis and no prescription. Nobody got up in front of one of those rallies and said "You're right about this, now here is what we're going to have to do. Create a Social Security system that works for the next generation, Medicare that does." That's all work to be done.

Think about the changed behavior we are already seeing in our fellow citizens. They have had an up-close and personal account encounter with debt in their own lives, in their family's lives, the business they used to work for, maybe. All over America, tens of millions of people, I believe, have said to themselves "You know, Grandpa was on to something." Look at the way consumption patterns are changing. People who are doing that in their own lives, I believe, are prepared to work with us in doing it in the life of our nation.

There's another round of object lessons coming this year. A lot of states, a lot of localities, I'm pretty sure not ours (mine) but many others, are going to go through some very difficult situations. But here is what is going to happen. They're going to make huge changes of the kind that are supposed to cause all that pain and they are not going to be very painful. We have found in Indiana, I can now say with a little bit of authority, you would be amazed how much government you would never miss.

It's going to be necessary—I don't want to minimize the difficulty ahead—it is going to be necessary to assemble an unnaturally, abnormally broad coalition of Americans to confront this difficulty, this enemy. We have to be careful with military or war-time metaphors, but you know maybe here it works. If there were a foreign army amassed on the Canadian border, everybody in this room, and most other rooms I hang out in, would drop everything and say "What can I do?" They would forget their other differences, their sincere convictions about lesser items and go to work until the danger was repelled.

I think we, people in this room as much as any I could ever hope to visit with, have to call our fellow citizens to this. Paul and Kent were right; a century of greatness still awaits this country. Ask yourself what nation on earth would you trade places with? China? We could spend the evening talking about the dangers that await them. Europe?

The opportunity, if we can simply be successful, at a task that is not as hard as some are making it out to be, it is not as painful, in fact it is the veering away from pain. It is the rescue of the programs that have served so proudly in the past. This is a great cause. I'm just so proud to be in the company of the people who saw it 20 and 25 years ago and have worked and slaved and never fallen off the horse. I do believe that the time for the strokes that you have called for, the bold strokes, has arrived.

There's a lot of faith in that position, but every great cause has a kernel of faith at its core. The greatest of causes are those that vindicate their faith and the kind of action I think we are about to take as a nation. Sound stewardship of the public's fisc being a governor's greatest duty, you have tonight done me the greatest honor you could have. Thank you very much.

[Applause]