

Thank you John for that warm introduction. And thank you for inviting me to this beautiful facility.

You can't help but to think about President Reagan here and it's timely that one of the most famous campaign ads in history was President Reagan's "Bear in the woods ad."

During the race, the Reagan campaign was having trouble explaining their "peace through strength" foreign policy to the American public.

The electorate seemed to prefer Walter Mondale's simple, deferential approach to the Soviet Union.

So the campaign team did what Reagan was best at – they simplified their message.

In the ad, there was an ominous reference to the Soviet Union, as a narrator gravely warned: "there's a bear in the woods."

The point was that the unpredictability of a dangerous enemy is a threat that must be taken seriously.

Today's world is ripe with unpredictability.

And America's 21st century strategic outlook is a tangled mess.

A senior military leader recently told me "in 37 years of service, I have never seen a time as dangerous as today."

We live in a globalized economy where all avenues of commerce and communication are networked.

Violence or conflict in a remote region of the world can ripple across borders, faiths, and economies.

I am concerned about a world where the flap of a butterfly's wings can create a tornado.

That means we must make preparedness a top national security priority.

The price of liberty, Thomas Jefferson wrote, is eternal vigilance.

Dwight Eisenhower echoed that sentiment.

Everyone knows his remark about the military industrial complex.

But listen to what Eisenhower said about peace.

He said: “The vital element in keeping the peace is our military establishment. Our arms must be mighty, ready for instant action, so that no potential aggressor may be tempted to risk its own destruction.”

Two broad oceans once protected what Reagan called “this shining city on the hill.”

Today, our economy draws its strength from critical geographic choke points.

One of those, the Middle East, is undergoing an historic shift.

Iran’s quest for nuclear weapons is perhaps the gravest threat to the global order we have seen since the collapse of communism.

As populism realigns the Muslim world, the lines between sects of Islam are sharpening.

Sunnis and Shias have fought for centuries.

Now, Iran –the world’s most prolific exporter of terrorism- wants to throw nuclear weapons into that mix.

People often ask “Would Iran dare to use nuclear weapons in anger?”

Well, can we afford to believe they won’t?

Can we afford to believe that China, which just this month announced a twelve percent increase in military spending, will allow our Pacific allies to live in peace?

Reagan mastered the art of keeping this nation out of hostilities.

But today we forget that we are a nation at war.

Though the mission is in a far-off land and among an unfamiliar culture, we also forget the sacrifices of a generation, our new greatest generation, that have kept us safe since the September eleventh attacks.

Californians have led the way in our defense, both at home and in the field.

Duncan Hunter, son of a former Chairman of the Armed Services Committee, joined the Marines right after 9/11. He served three tours in Iraq and Afghanistan, and then took his father’s seat in Congress, and now serves with me on the House Armed Services Committee.

And men like California Assemblyman Jeff Gorrell, a Navy officer who just returned safely home from Camp Leatherneck, Afghanistan.

We are lucky as Californians and as Americans to have these men defending our freedom and representing our values.

Their story has been repeated over and over, citizen soldiers who have given up time with their families and their careers to deploy into harm's way.

It is tragic that their story can be subdued when a lone individual commits horrible acts.

This past weekend, it appears we lost a soldier to his demons, and it cost many Afghan civilians their lives - people that we have tried desperately to help recover from three decades of conflict.

When you look at the war through that terrible, violent act – it can seem hopeless and lost.

I know that the American people are heartsick over what has become of the Afghanistan mission. I share their fear that we may be adrift, and I am certain that we are suffering from a lack of commitment at the highest levels.

But the reason we liberated Afghanistan in 2001 was right then, and it is the same reason we fight today to keep it liberated.

And we overlook the fact that for every one chaotic event that loops endlessly in the media, there are infinite tales of heroism and courage, selflessness and integrity that are never reported.

President Bush gave over forty speeches about the war on terrorism and the importance of victory.

President Obama has given three.

We must do a better job of communicating the importance of this fight.

We must do a better job highlighting the stories of courage and daring our military have etched into the stone of history.

Our troops have earned that honor, and our troops deserve that honor.

Our principles have not changed.

We reject those who would kill women and children to serve political ends.

We reject those who use violence to intimidate free peoples into subversion and compliance.

And we reject those who would convert Afghanistan back to a launching pad for terror.

We reject them, and –when it is necessary and in our national interest- we must meet them with force.

Now there are risks and results take time.

But asking if Afghanistan is a winnable fight is the wrong question.

What we should ask ourselves is if we still believe that the greatest force on earth is American resolve.

We should ask if we believe in imposing limitations on ourselves.

An insurgent is the toughest kind of opponent a democracy can fight.

Rooting them out takes patience.

Over the past eighteen months, we've knocked the Taliban on their backsides.

We demonstrated that, like in Iraq, the right strategy and ample force levels can bleed the toughest insurgency dry.

So we must be extremely cautious when we discuss pulling surge forces out before we have secured our gains.

We can still leave Afghanistan with our heads held high and the Taliban defeated. But it will take resolve and patience.

As President Reagan demonstrated, Americans excel at both.

Now it's worth mentioning that, aside from conducting oversight of the war, one of my chief responsibilities as Chairman of the Armed Services Committee is building the defense budget.

For fiscal year 2013, the budget we received from President was really concerning.

The budget cuts forty three billion dollars from a wartime military.

It cut 23 ships from the Navy's fleet.

Many senior flag officers have testified that the fleet is already too small to fulfill its operational requirements.

It cuts 150 cargo planes from the Air Force, despite the urgent need for tactical airlift in places like Afghanistan.

And it cuts a whopping 80,000 soldiers and 20,000 Marines.

Instead of coming home to ticker tapes, these brave men and women will come home to pink slips.

Instead of marching in victory parades, they will stand in unemployment lines.

That is shameful.

These cuts are real, and we will all start feeling them soon.

They will affect every American base, installation, and military unit in the world in some way, shape, or form.

And they won't just hurt our national security.

These cuts, deeply damaging to our defense, will hurt everyone associated with the military...

...the families from Camp Pendleton that have endured extended deployments for the past decade.

...the teachers who educate the children of deployed heroes.

...the civilian workers who do maintenance at Edwards Air Force Base

...the tailors off-base who mend sailors' uniforms at Point Mugu.

... and the assembly line worker who turns wrenches on airplanes in Palmdale.

Our national defense, the most sacred and righteous responsibility of the federal government, is larger than just those who wear the uniform.

But when we cut the services and support that keeps our military potent, we hurt ourselves in ways beyond national security.

Let's not forget that when we must take up the fight against freedom's enemies, it is Congress' job to make sure it isn't a fair fight.

The cuts that I outlined take us right to the limit of acceptable risk.

Because the Congressional Super Committee failed to reach an agreement on mandatory spending, a sequestration mechanism will kick in next January 1st.

Sequestration takes all the cuts I outlined and doubles them.

It pushes us far past the limit of acceptable risk, and would put this great country in great danger.

The Joint Chiefs had months to prepare for the tough reductions in the budget control act.

But sequestration does not afford them that luxury.

The cuts are "blind" – that means the Defense Department will have to go line by line, through everything in the budget, and cut eight or twelve percent from each item.

As one Admiral testified in our committee, how do you cut 12% of a ship?

If sequestration passes unscathed, we will begin the process of cutting approximately \$100 billion a year from the military for the next decade.

The cuts will force another one hundred thousand troops out of the Army and Marines.

We'll shrink our Navy to its smallest size since before World War One.

And the Air Force will be the smallest in its history.

We will not modernize our nuclear deterrent, which hasn't seen replacement systems in decades and is the smallest since the early 1950s.

Active duty military, reservists, federal civilians, and contractors will be laid off. Some assembly lines and shipyards will close.

We estimate that around one and a half million people will lose their jobs as a result of the defense cuts in sequestration.

We will go through not one, but two rounds of base closures. Southern and central California could be particularly hard-hit.

The economic areas around military bases, the ones that survive, will experience a decrease in business.

We should all be alert and aware of what could happen to the military our parents and grandparents built, and the Armed Forces that Reagan refined.

President Eisenhower said that a people that values its privileges over its principles is doomed to lose both.

We should ask ourselves, will this be the moment, right now, when America abandoned its special role in the world, and transformed itself from a superpower to a regional power?

Is this the point where Americans put their privileges and entitlements ahead of their principles?

In the latest budget the Administration increased spending in nearly every government department- while the military absorbed massive cuts.

They do this knowing that our debt is sinking this nation and sinking it fast.

And they think that if they toss the military overboard, they might be able to stay afloat.

That's a bunch of baloney.

If you cut the entire defense department, we would still be running a massive deficit.

That's how much our entitlement programs cost, and that's how expensive those programs have become.

They now threaten our first and most sacred entitlement, the right to safety, life, and liberty.

Despite this gloomy strategic outlook, I am not so pessimistic.

I believe we can first protect and then restore our Armed Forces.

I will not be a partner to the management of this great nation's decline.

I will not be complicit in the dismantling of the Reagan military.

My priorities as Chairman for the coming budget are straightforward.

I have a three-pillared philosophy towards revitalizing our military forces.

They are:

Resolve sequestration.

Reverse massive defense cuts.

Restore and Rebuild America's military.

The first step in staving off the dire sequestration scenario is buying us some time to move past the election.

I have introduced a bill that would pay down the first year of sequestration by naturally shrinking the federal workforce.

That workforce has grown exponentially since 2009.

While the president proposes laying off more than 120,000 troops, he has hired more than 120,000 new federal bureaucrats.

This bill does not fire federal workers, but decreases their ranks naturally.

If one person quits or retires, two others must quit or retire before an agency can hire another worker.

This was a bipartisan solution that came from the President's own debt commission.

It pays for the most damaging year of sequestration, next year, and moves the budget debate into calmer waters.

While this is a simple, acceptable solution to a tough problem, I am open to any compromise or any plan that pays down sequestration in a responsible manner, without crippling Americans with tax hikes during this fragile recovery.

From there, it is my sincere hope that Congress can work in a bipartisan manner on a year-by-year basis, thus reigning in spending without gutting our national defense.

The second pillar is reversing the first tranche of defense cuts we enacted as part of the Budget Control Act last summer.

Now I voted for the BCA.

I did so because we were facing a government default that would have, among other things, cut off salary payments to our troops.

As Chairman, I could not let our military go without pay.

I held my nose and voted for the BCA, with the hopes that we could fix the serious problems with the bill shortly after.

That's why one of my top priorities is getting that half a trillion dollars back.

The taxpayers rightly demanded that everything should be on the table for deficit reductions.

I agree.

If we can't find savings in a half trillion dollar budget, shame on us.

But explain to me why defense is less than twenty percent of federal budget, but has accounted for half of our spending cuts to date.

Taxpayers said "cut the fat out of defense."

We did that.

We're past cutting the fat and past the muscle, now we're cutting into the bone.

The consequences are being felt.

Look no further than the historic strategic shift we were forced to adopt this year.

As many of you know, the Administration's force reductions mean we can no longer sustain the strategy that kept America safe for decades.

Because we will no longer have the forces to stay strong in critical regions, the Administration announced a new focus on the Pacific Rim.

I am also working hard to ensure that the pivot to Asia is not an empty one.

Now, the Administration calls it a strategic pivot.

I call it a head fake.

A pivot implies that you have some body weight behind the movement.

Though the Administration says we're shifting to Asia, they're actually reducing the number of ships and planes we have available to respond to crises anywhere.

We will do our utmost to ensure this strategic shift is viable and does not place our troops at unnecessary risk.

There's no disagreement that it's a vital region.

We should be worried when China just announced another double digit increase in its defense spending.

We spend about half our base defense budget on personnel, investing in health care, education, living allowances for our troops.

China buys things that shoot. And they can buy far more of them for a dollar than we can.

So we must do our utmost to reverse the defense cuts enshrined in the Budget Control Act, to help ensure the pivot to Asia is not a hollow one.

That means reinvesting in modernization for our Air Force and Navy.

We will seek to modernize airlift, including C-130s and C-5s that predate the Reagan administration.

We will try to hold back cuts to the Navy's cruiser force, finding the money for our cruisers to undergo proper upgrades, instead of mothballing ships needed to sustain the shift to Asia, before those ships reach the end of their lifespan.

We will hold the Administration accountable on the promises they made to modernize our aging nuclear deterrent in exchange for ratification of the START treaty.

We also must allocate resources for contingencies like Iran.

We'll be looking to place emphasis on vital weapons, should the Iranians determine that a peaceful, nuclear-free existence is not in their best interest.

Our defense bill this year will reflect appropriate resourcing for things like powerful bunker buster munitions, countermeasures for mines, and appropriate sensor and intelligence platforms.

We will continue to focus heavily on countering anti-access systems that Iran and China would use to deny free transit to the international community.

My obligation as Chairman is to ensure that if the President uses the military option against Iran, that option is a credible one.

Because what happens to the world's economies if we can't ship strategic resources out of the Persian Gulf?

What happens if we can't stop Iran from closing the Strait of Hormuz?

There are too many trouble spots in too many regions for us to abandon the two conflict strategy.

Because the first round of cuts forced us to abandon the two-war defense, undoing the military reductions in the budget control act would allow us to return to that proven strategy.

The third and final pillar is to restore a military chewed up from ten years of fighting.

When we increased defense spending during the Bush years, we spent money on things like body armor, UAVs, and armored vehicles.

What we did not do was upgrade replacement systems that were canceled during the Clinton years. Today's military is, by and large, a smaller version of the Reagan military.

Most of our planes, ships, and tanks were built during his Administration.

We must end this unofficial "procurement holiday" and get our forces the tools they need to win the current war, and deter future wars.

That means repairing and replacing equipment that was lost and damaged in places like Iraq and Afghanistan.

It means upgrading and restoring our nuclear deterrent, which is falling apart after two decades of neglect.

And most importantly, it means we take care of our people.

In last year's defense bill, we acknowledged that modest increases in certain areas of military health care were appropriate.

Those fees were both reasonable and small.

But recent proposals to pump up military health care by up to three hundred percent is absolutely unacceptable.

When our troops made a decision to volunteer for service, they entered a sacred agreement with this government.

Part of that agreement was that their medical needs would be met.

We made a solemn covenant with them -- we cannot, and we must not break it.

Because to maintain a strong America, we need our all-volunteer military.

Are we ready, as a nation and a people, to embrace the concept of helplessness on the world stage?

Are we prepared to accept the possibility that someone other than us can shape our destiny?

We will do what we can on the committee and with this defense bill, but it's not going to be easy.

To put it plainly, we need your help.

We need your help restoring the concept of the "Reagan military."

Just the name invokes the concept of strength and certitude.

I need you to be advocates for the principles that President Reagan advocated.

I need you to stand with our troops.

I need you to reject government intrusion in our lives, and refocus this great Republic back to Constitutional obligations like providing for the common defense.

These cuts can be stopped, averted, held off.

But it requires you to be involved. To be vocal. To be strong.

How can we call ourselves Reagan Republicans if we sit quietly by during the most systematic and catastrophic cuts to an institution that Reagan helped build?

Remember the triumphs of the Reagan military.

The Cold War, the great threat of our time, ended without a single shot being fired.

The Gulf War, where we decimated the world's fourth largest army in less than a month.

Remember Reagan's three-legged stool, the compass that keeps us focused on our conservative principles.

When we are strong, and we stick to those principles, America does wonderful things.

We cannot walk blindly through this defining period in our nation's history.

We cannot ignore the lessons of the past.

I believe in optimism, I believe in confidence, and I believe that with your support we can stage a resurrection in this great country.

We've taken our licks.

And this past decade has been a tough one.

But we've endured a revolution, a civil war, a great depression, two world wars, and a Cold War.

Every time we take one on the jaw, we climb up off the matt.

My job... our job as Californians and Americans, is to stiffen that resolve.

The ability to control our own destiny is what makes us Americans.

The power to guide our destiny is what makes us great.

And our determination to protect that destiny is what makes us free.

Together, let's be determined to be masters, not victims, of our fate.

Thank you. God Bless our Armed Forces, God Bless the great state of California, and God Bless America!