"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 Wahabi 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."