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TRANSCRIPT - Newt's Speech to 2009 Senate House GOP Fundraising Dinner June 8, 2009 7:30pm

Thank you all very very much. And I want to thank Mitch McConnell and John Boehner for inviting me on behalf of the two committees and I want to thank John Cornyn and Pete Sessions for having been such gracious hosts. I also want to thank Governor Palin and Todd for coming tonight and for being part of this.

When Callista and I came in with Sarah and Todd, and we came to the bottom of the steps over here, John McCain was there very graciously welcoming us. And I have to tell all of you that despite every effort of the elite media to prop up Joe Biden and pretend he actually knows what he's doing, I felt that looking at John McCain and Sarah Palin that this country would have been amazingly better off had they been in the White House.

I also want to say that I think on behalf of both campaign committees that Jon Voight has given you your battle cry for the next year and a half. And I say this having once with Haley Barbour and Bob Dole crisscross the country when we had been out of power for forty years and people thought we were absolutely out of our minds to suggest that we could actually win a majority.

I think the phrase "do not tell me it can't be done," is about a good a way to start thinking about 2010 and 2012 as you can imagine. And I think our goal should be to reach out to the American people in every possible way. To make sure that John Boehner becomes the Speaker of the House in January of 2011, that Mitch McConnell becomes the Senate majority leader, and this is a one term presidency in the Jimmy Carter tradition.

Let me be candid, watching that video, a lot has changed since 1994, then I was a father and my two daughters Kathy and Jackie are here tonight, and we're thrilled that they're here. But now I am a grandfather, Maggie is 9 and Robert is 7. Then I was an elected official who had been a college teacher, now Callista and I run four small businesses. Like the 26 million other small business owners, we a burdened with payroll taxes, red tape, and all of the challenges of trying to create jobs in a government hostile environment.

Back then I came to chair the Medicare reform task force, now I'm on Medicare. Back then I went to the movies, now Callista and I make movies. So I recognize that 2009 is not 1994. But I want to say to all of you as Republicans, we have been here before. 1964, 1977, 1993, in each we had lost, they had been hard years, the news media was gleefully hoping we would disappear. 1965 was followed by a 1966 in which we picked up 47 house seats, swept the major governorships including electing Ronald Reagan in California. Two years later in 1968 we began the first of forty years of presidency in which no overt liberal in forty years won the presidency. 1977, when Jimmy Carter's inaugural day popularity was higher than Barack Obama's was followed by 1980.in which Ronald Reagan won a decisive victory and fundamentally changed the course of America.1993, in which Bill Clinton was creating a new democratic party was followed by 1994 in which the Democratic Party suffered its worst defeat in forty years.

Now history teaches us that there is a clear road back to a majority, that this is a time for optimism, for solutions, and for a focus on hope and opportunity. We must focus on solving America's problems and creating solutions for America. The American people will take care of the Republican Party if we will work with them and focus on helping them.

Consider California. Last November, then Senator Obama got 61 percent of the vote, clearly a blue state by the current method of coloring things. But in May, stopping taxing and spending in Sacramento got 64 percent of the vote and gave us an example of the great challenge facing the Republican Party. Think about this, 64 percent of the people of California said Sacramento is such a mess they rejected raising taxes and raising spending. They wanted fundamental change in Sacramento. 64 percent would be a massive majority in our largest state for a party that only a year ago – less than a year ago – got 39 percent. But notice the challenge to many Republicans. The referendum failed n every county. That is a majority of the voters of San Francisco voted no. Now one of the challenges to the Republican Party, are we prepared to be inclusive and not exclusive.

Let me be clear, and I say this having been active and thinking about this party and thinking about governing this country for 51 years. I am happy that Dick Cheney is a Republican, I am also happy that Colin Powell is a Republican. A majority Republican Party will have lots of debates within the party. That is the nature of majorities. Remember, Reagan carried 49 states in 1984, and a lot of them were not hard core conservatives. Reagan won in 1980 - by appealing to independents and unhappy Democrats. There's not a single Reagan speech where he doesn't say "my fellow Republicans, and those independents and Democrats who are looking for a better future." There were not enough Republicans to win in 1980, in fact we were - I believe - 21 percent of the electorate by identity in 1979.

Now inclusion does not mean lack of principles. Like Reagan - and Callista and I just did a movie you saw last night called Ronald Reagan: Rendezvous with Destiny with Dave Bossie and Citizens United. Like Reagan, I am for first principles. Tonight, I am going to apply first principles to three areas. One - strengthening our unique American civilization, Two - strengthening our national and homeland security, Three - Building a productive America with the best jobs and greatest prosperity in the world.

First, we must strengthen our unique American civilization. Let me be clear, I am not a citizen of the world. I think that the entire concept is intellectual nonsense and stunningly dangerous. There is no world sovereignty, there is no world system of law - there is in fact no circumstance under which I would like to be a citizen of North Korea, Zimbabwe, Venezuela, Cuba, or Russia. I am a citizen - I am a citizen of the United States of America. And, the rest of this speech is about the United States of America.

America is a unique civilization. Callista and I, a couple of years ago, did a movie called Rediscovering God in America which is a walking tour of this city. We did it deliberately. It was our answer to the 9th circuit court, which is in fact irrationally out of touch with this country, and which actually ruled that 'One Nation Under God' was unconstitutional. Grounds, in my judgment, for abolishing the court and re-recruiting it. That is not a radical position. Thomas Jefferson eliminated 18 out of 35 federal judges, over one half of all federal judges. I am merely proposing one court of appeals. I am a moderate on this issue.

But the core of this is a very straightforward historic debate. It is not a theological debate, it is not a religious debate, despite every effort of the elite media and the academic left to distort it. It is a fundamental question of political history. If you go to the national archives, you will find the Declaration of Independence, a political document. It says, "We are endowed by our creator with certain inalienable rights among which are life, liberty, and the pursuit of happiness." This is fundamental to the nature of America. We are the only country in history that says, "your personal rights come from God directly to you, and you loan the government sovereignty." But the center of sovereignty in America is inevitably inexorably with the citizen because it is inalienable. That's the core document of this country.

That is why quotas and Sotomayor are wrong, that is why rationing in healthcare is wrong. No government bureaucrat has the right to take from you the rights that God gave you, and rationing under healthcare is inevitably limiting your life at the whim of a bureaucrat and at the manipulation of a politician.

The greatest articulator of this belief was the first Republican President. A man who tragically presided over a civil war in which 620,000 Americans died to end slavery, unlike president Obama's Cairo speech, it was not an act of happiness, it was a fundamental and stunningly painful expression of our willingness to live and die for the beliefs that make men free.

It's worth looking at Lincoln because he is speaking only four years after the founding of the Republican Party. And, by the way, if you want absolute proof you cannot teach American history honestly and accurately without reference to God, go to the Lincoln Memorial, read the second inaugural - March 1865 - 703 words - 14 references to God - Two quotes from the Bible - and explain to me how you would teach Lincoln accurately and honestly without explaining his attitudes.

I'm going to quote from Lincoln for a minute. It is a little bit longer than good speech making tolerates, but I'm doing it quite deliberately. I want to reset in you the passion, the sincerity, the authenticity of the Declaration of Independence in making us a unique country. In his 1858 debates with Douglass, only four years after the founding of our Party, Lincoln said the following:

Posterity might look up again to the Declaration of Independence, and take courage to renew the battle which their fathers began, so that truth, and justice and mercy, and all the humane and Christian virtues might not be extinguished from the land; so that no man would hereafter dare to limit and circumscribe the great principles on which the temple of liberty was being built.

Now, my countrymen, if you have been taught doctrines conflicting with the great landmarks of the Declaration of Independence; if you have listened to suggestions which would take away from its grandeur, and mutilate the fair symmetry of its proportions; if you have been inclined to believe that all men are not created equal in those inalienable rights enumerated by our chart of liberty, let me entreat you to come back - return to the fountain whose waters spring close by the blood of the Revolution. Think nothing of

me, take no thought for the political fate of any man whomsoever, but come back to the truths that are in the Declaration of Independence.

You may do anything with me you choose, if you will but heed those sacred principles. You may not only defeat me for the Senate, but you may take me and put me to death. While pretending no indifference to earthly honors, I do claim to be actuated in this contest by something higher than an anxiety for office. I charge you to drop every paltry and insignificant thought for any man's success. It is nothing; I am nothing; Judge Douglas is nothing. But do not destroy that immortal emblem of humanity – the Declaration of American Independence.”

That is what this is all about. That is why I am a citizen of the United States of America and not a citizen of the world.

Compare that passion for individual liberty and individual opportunity with the quotas, group politics, and the bureaucratic healthcare rationing advocated by our opponents. This Republican commitment to the individual did not cease after Lincoln. Reagan in one of his radio talks in the 1970's – part of which we have in our movie – said the following:

Some of our social planners refer to them as "the masses" which only proves they don't know them. I've been privileged to meet people all over this land in the special kind of way you meet them when you are campaigning. They are not "the masses," or as the elitists would have it—"the common man." They are very uncommon. Individuals each with his or her own hopes & dreams, plans & problems and the kind of quiet courage that makes this whole country run better than just about any other place on earth.”

And that's why rationing is wrong, and that's why quotas are wrong, because in fact they eliminate the very power of the individual.

This commitment to our history and to our first principles leads us to some profound commitments - having judges that understand that an America that has driven God from the public square will no longer be the America that has extended freedom and prosperity for 400 years, understanding that individual rights and responsibilities are at the heart of our system, that there are no quotas and no group identities in the American system, understanding that at Cape Henry where English speaking settlers first came they erected a cross as their first act in order to thank God for having gotten across the Atlantic, understanding that at Jamestown, our first permanent settlement, they established the principle if you will not work you will not eat – not for the poor but for the aristocrats who thought they could buy their way out of work. The work ethic was at the heart of our welfare reform in 1996. It is the most successful conservative reform in modern times. Sixty five percent of the people on welfare went to work or went to school.

It is why we have to teach American history accurately and honestly; and frankly, replace those professors and those teachers who are unwilling to be accurate and honest about American history.

It is why we have to have judges that refer to the American Constitution and worry about American precedents and reject those would be judges or replace those judges who insist on quoting foreign precedent and foreign law, which has no application to the United States of America.

It is why we recognize that American entrepreneurial capitalism and a free market will work. And that European socialism will not work in terms of productivity and prosperity.

Because America is unique it is worthy of defending. So my second point is – we must ensure national security and homeland security.

We need a great national debate on five key questions.

- Is the world dangerous?
- Are there people and governments that would like to destroy us?
- What is it worth to keep America and Americans safe from those dangers?
- What strategies can defeat our opponents?
- What metrics can we use to tell if the strategies are working or failing?

Under the Obama administration, we have fallen back into the utopian fantasies and self deception of the 1977 Carter Administration and the 1993 Clinton Administration.

The Reagan movie is a remarkable portrait of the contrast between idealistic realism and idealistic utopianism. Let me remind you, Ronald Reagan and his idealistic belief in democracy announced firmly and clearly that our goal in the Cold War was “We win, They

Lose.” He announced clearly that our opponents were an evil empire and eleven years after his election the Soviet Union disappeared. He was both idealistic and realistic.

Jimmy Carter who was sincere idealist was totally out of touch with reality. He lived in a world of fantasies and the result was a catastrophic failure.

The Clinton era failures are similar. Their passion for mistreating terrorism not as an act of war but as an act of criminal justice, their refusal to accept the threats to America meant that they couldn't cope with the World Trade Center in 1993 which in part was plotted by a prisoner in Attica prison. It meant that they could not cope with the Cobar Tower bombing in Saudi Arabia where they blocked the FBI from going and finding out what happened. It meant that they couldn't take real knowledge of the two American embassies bombed in East Africa, that they couldn't cope with the bombing of the USS Cole in Yemen where the ambassador blocked the FBI from looking for people and therefore during the entire period of the Clinton Administration the ability of Al Qaeda to plan 9/11 was never stopped, and the people who were doing it were never stopped, and as a result we were left in enormous danger.

Again and again the legalisms and self deceptions of treating enemies as criminals led to more and more disastrous results. Today, many of the same civil libertarians defend the accused terrorists – follow criminal proceedings in a war – ideologues are now in the Obama Justice Department. It's amazing how many of them come from law firms which were eagerly giving pro bono representation to alleged terrorists in Guantanamo.

The challenge for the Obama Administration is simple. Americans know better. This isn't the first issue in which the President is clearly and decisively on the wrong side and the American people have begun to get it. By 3 to 1, the American people believe that we are safer with prisoners in Guantanamo than in America. Now, 3 to 1 is a pretty big margin.

Guantanamo is a case study is common sense versus self deception and I thought the President's decision to deliberately schedule as a speech opposite Dick Cheney was the first big tactical mistake of his Presidency. I'm sure what happened was that his political advisors said to him, “Well, Vice President Cheney has bad poll numbers, you have good poll numbers, it will be a terrific contrast.” They forgot a couple of key things. Vice President Cheney was the youngest Chief of Staff to an American President in history. He was on the intelligence committee in the House, he was Secretary of Defense for 4 years, he spent 8 years as Vice President focused on national security – he actually understands the issue.

The great difference between Reagan's rhetorical skills and President Obama's rhetorical skills are that Reagan used his rhetorical skills to shine light on truths and fundamental facts. Obama uses his rhetorical skills to hide from fundamental facts. If you want a single case, read the Cheney speech and the Obama speech on the same day. There is a fundamental mistake, which tells you a great deal about this administration. Cheney had a fairly simple message – the reason we have Guantanamo is that we have people at Guantanamo that are dangerous. They are called terrorists. We call them terrorists because they want to kill us. It is good not to have them anywhere near us because it makes it harder for them to kill us. Now the average American could hear that simple declaredly sentence and say to themselves, “Okay, there's the terrorists are okay gang and there's the terrorists stay in Guantanamo gang. Uhh, okay, I got it. I'm with the terrorists stay in Guantanamo gang.” Now the President who had an impossible position was once said of Lincoln and Douglass that Lincoln was the best lawyer in Illinois with the good case and Douglass was the best lawyer in Illinois with the bad case. And I'm beginning to think that President Obama is in the Douglass tradition. Because the President, who is a remarkably wonderful orator said, “We are here at a deeply meaningful moment in which we are going to in a deeply fundamental and meaningful way engage is discussing a problem that is so complex and difficult that only myself can present it to you in such a way that you will fully appreciate the meaningfulness of this moment we have here together.” And the average American said “Got it. He doesn't understand what's going on.” And they are currently losing this debate by about 3 to 1 and it will get worse if they stick to it, because it is nonsense.

But we need to build on the lesson of this debate because it's not about Guantanamo – it's about the nature of reality. The lesson of terrorism is that we have to control our borders. The lesson of terrorism is that we must have an effective system of legal immigration. We must have a system of legal temporary workers. We must have a vastly expanded system of H1 visas for highly qualified workers. We must outsource the guest worker identity system to Visa, MasterCard, or American Express because no federal agency could keep up with the fraud if you tried to internalize it the bureaucracy. And we must assure assimilation into being Americans by making English the official language of government and by teaching American history to both first generation immigrants and to our own children. Now some of you will be told later how can we appeal to the Latino vote if we are actually in favor of English? The fact is that if you go to americansolutions.com and click on the platform, 59 percent of the Hispanic American population favors English as the official language of government and as Bobby Jindal's father, who is a first generation immigrant from India, said to me recently, “We are crazy if we do not make English the official language of government. We need it to assimilate everyone from every country into being American.”

And in that process we have to treat American history to first generation immigrants and to our own children. And I believe that we should have a national campaign to fundamentally redesign the curriculums of every school in this country so they actually learn American history as a part of their citizenship.

These steps will make us more secure, more prosperous, and more law abiding. But the challenge of foreign dangers will remain. Beyond Guantanamo there are enormous dangers threatening America and our allies. Our enemies seek weapons of horrifying danger – nuclear weapons, electromagnetic pulse weapons, biological weapons. Our national and homeland security systems must become dramatically more robust in order to cope with these threats and protect America and Americans.

After 9/11 people ask, “why didn’t we think of that attack?” In fact many of us had, just nobody wanted to pay attention, it was in the bureaucracies. There is no excuse for not thinking today about the potentially catastrophic attacks that are threatening us. Our current Defense and Homeland Security budgets are simply too small and the bureaucracies are too slow and too cumbersome. We have to meet short term threats and we have to meet long term threats. The current budget cannot possibly meet both challenges. Focusing on the short term small war threat while starving recapitalization of the Navy and Air Force, under funding science and technology to pay for Afghanistan and Iraq is a formula for a future collapse in our ability to cope with China and Russia.

I appreciate what Secretary Gates is trying to do, it is impossible to defend this country and maintain homeland security on the current budget. And we frankly need more retired military people talking out and telling the truth about the decay of our Navy, the decay of our Air Force, the decay of our long term capabilities, and the current budget constraints. And I will tell all of you, the future challenge of China forces a much broader definition of national security thinking. Meeting the long term challenge of China and India takes us inevitably the economy, to education, and to fundamental change.

The key national security question for the next generation is simply our third topic. What do we have to do to compete with China and India so our grandchildren live in the most productive and therefore the most prosperous country in the world? How do we make America the best place in the world to build the next factory and create the next high paying job? Unless we solve this, we will inevitably cease to be the leading power in the world. Nothing keeps me going everyday more than the thought that I do not want to turn over to Maggie and Robert the first generation in American history to have failed to have done its job of fixing the country so our children and grandchildren are better off not worse off.

Without a strong economy and without scientific and technological leadership, we cannot sustain our military leadership capabilities. The economy and education are national security issues. Competing with China and India will be a bigger challenge than competing with the Soviet Union in the Cold War. I commend to all of you Bob Compton’s film 2 Million Minutes – that’s four years of high school – which shows you vividly two Indian high school students, two Chinese high school students, and two American high school students. And at the end of the movie you realize that we a country aggressively preparing for the 1956 Olympics. We will win no gold medals at that level. And I recommend to all of you to go to 2mminutes.com to see just how bad the challenge is. To meet that challenge we have to reform litigation, regulation, taxation, education, health, energy, and infrastructure. That is the minimum for us to compete successfully in the next generation with China and India. Yes, it’s big – I think it is also historically true. And the question is rather we have the courage to do it. The scale of change requires all 513,000 elected officials – school board, county commission, state legislature – not just the Presidency. It requires a tri-partisan approach - Red, white, and blue majorities – Republicans, Democrats, and Independents – not Red versus blue majorities. California’s 64 percent is an encouraging sign that if we are creative and we are articulate and we are clear, then we might just build a red, white, and blue majority that is truly tri-partisan. We do not need stimulus, we need growth. We do not need temporary fixes; we need real investment and real productivity improvements. The key question is: How do we make America the best place in the world for the next factory and the next job. The answer is the opposite of the left’s formula. Because we don’t need stimulus, we don’t need temporary jobs. We need investments to create permanent productivity increases to sustain permanent jobs.

You know for years the left talked about trickle down capitalism; it was one of their favorite attacks. Well, let me offer you an observation. Trickle down bureaucracy works even less than trickle down capitalism. The idea that you can pour \$787 billion in Washington and have it somehow create jobs in an effective way is a fantasy of the first order. Not that the people who voted for it care; their goal was not productivity and prosperity. Their goal was power and paying off their allies.

You can tell how badly the stimulus has failed – and let’s be clear, this is not something President Obama inherited from George W. Bush – he got his stimulus, on his schedule, for his amount, delivered by his robots in Congress who did exactly as they were told without even reading the bill. So he can’t turn around now and say, “Oh Gosh, George W. Bush made me have a stimulus plan.” This is his plan. And what happened? They promised we would peak at 8 percent unemployment and on Friday we were at 9.4 percent, which is not in their budget which means their budget is already wrecked because we are going to have higher unemployment, greater government expenses, and less revenue than they projected because their plan has already failed.

And let me be clear as a matter of first principle. Bureaucrats micromanaging companies - Does not work. Politicians dominating the economy - Does not work. Barney Frank and Chris Dodd are not substitutes for a sound market economy. Geithner and Summers are not replacements for Warren Buffet and Bill Gates. We have been here before. Jimmy Carter and four years of mismanagement got us to 13 percent inflation, 22 percent interest rates sliding into the worst recession since the Great Depression, and every other day gasoline rationing in which you could only buy gasoline based on the last number of your license plate.

How many of you remember when you could only buy gasoline every other day based on the last number of your license plate? Raise your hand, this is not a theory alright, this happened. America, the wealthiest country in the world was reduced by bad policy, bad politicians, and bad government to rationing gasoline. My good friend Dave Bossie pointed out that he was only 13 at the time and every morning his father would give him a screwdriver to go out back to change the license plate so that the car that needed gas had the right license plate. And from that I have developed a simple test for liberal and conservative. If you learned that government rationing led 13 year olds to change license plates and you conclude that we should have dropped an idea that dumb, you're a conservative. If on hearing Dave Bossie's story you concluded that we needed license plate police at every gas station, you are a liberal. It's that straightforward.

But we've been here before. Let me be clear as to how disastrous this administration will end up being. Replacing the rule of law with special interests in bankruptcy does not work. Having a 31 year old take time off from law school to redesign the auto industry will not work. In fact, he is a symbol of the arrogance and lack of realism of this administration.

Paying off ACORN and other left wing interest groups will not work. You can't have capitalism on the way up and socialism on the way down. You are going to choose between one or the other, I choose capitalism because for 400 years it has been the most productive, the most prosperous highest quality of life system on the planet.

You have to have the rule of law not the rule of empathy. You cannot pay off political allies in violation of contract law, if America begins to resemble Venezuela and Russia in changing the law to favor political allies and punish political enemies, our economy will be crippled for a generation.

People will not invest where politicians can rip them off. And I don't think that Barney Frank and Chris Dodd are exactly good advertisements around the world for the next factory to come to the United States.

So, how do we get back to economic growth? Raising taxes does not work. What would work? As Reagan would have said, 'Let's go back to First principles.' Taxes are a first principle. High taxes kill jobs and growth. Low taxes encourage jobs and growth. What would a free enterprise, entrepreneurial market oriented stimulus package be like? First, let's get money to the people who work and the businesses that hire them. If we had a two year 50% reduction in the Social Security and Medicare tax for both the employee and the employer match, you would have an extraordinary explosion of small business. You would have a dramatic increase in employment. You'd have the money available for businesses to invest without bureaucracies and without politicians. You would have a dramatic rebound. It would be much better than the bureaucratic trickle down theories of the left.

As a small business owner, I know what the impact would be of a two year 50 percent reduction both for the employees and the employer match.

If you want to compete with China for jobs, match the Chinese on capital gains. Their rate is zero.

If you want to compete for profitable businesses creating good jobs, adopt the Irish tax rate of 12.5 percent for corporations.

If you want to build up capital for investments permanently, abolish the death tax. It is the biggest single hindrance to average people creating capital. And by the way, 79 percent of the American people believe that it is wrong - Morally wrong - to require someone to visit the under taker and the IRS in the same week.

Now let me make a key point here, and I want to say this because of Jon Voight's wonderful quote, "Do not tell me it can't be done." I just outlined for you the first four tax cuts that ought to be the heart of the Republican Party. And many of you will say to me, "Well, that's unrealistic." Well, so was a majority in '94 and so was welfare reform and so was balancing the budget and so was electing Ronald Reagan and so was eliminating the Soviet Empire.

This is precisely what Ronald Reagan meant in 1975 at CPAC when he said, "we cannot have pale pastels, we need bold colors." The fact is that if you go to the country with a genuine free market opportunity and you're prepared to win the argument in the Margaret Thatcher phrase, "That first you win the argument, and then you win the vote." And you go to the average small business in this country - you want to reach out to African Americans, to Koreans, to Vietnamese, to Chinese, to Indians, to Latinos - you go

to every small business in America and say, "Hi, if we cut your Social Security and Medicare tax by 50 percent and we cut your match as the employer, would you have more money? Would that be better than giving the money to General Motors? Would you like that more than having Rahm Emmanuel spend it? And you suddenly have a conversation that when they go to their accountant and find out how much money you're talking about, they're going to want to come to the second town hall meeting. But that requires us to have the courage to have a bold vision of what a dynamic entrepreneurial market oriented America would be like – that rewarded work, that rewarded savings, that rewarded investment, that rewarded risk taking, and was prepared to take on the corrupt politicians and their corrupt allies head on. That's the gap we need.

Some will say, "But how do you cut taxes when we have such a big deficit?" Remember, big deficits – on the left – mean raise taxes. Big deficits – on the left – never mean control spending. Well as John Kasich, our budget committee chairman who I believe is the next governor of Ohio, could report to you - stopping spending is a lot better way to balance the budget. Reforming government is a lot better way to balance the budget. Modernizing and replacing bureaucracies and failed programs is a better to balance the budget. Again, let me say this very directly, I am the only Speaker of the House since the 1920's to have authored four consecutive balanced budgets. We paid off \$405 billion in federal debt and I am quite comfortable telling you that yes we can balance the budget again if we have a majority and we are in charge.

Tax increases cannot balance the budget because they crush the economy which reduces revenues and they encourage the liberals to spend more. Look at Sacramento and New York. If raising taxes work, New York and California would have balanced budgets. But they don't because the interest groups spend the money as fast as they find it.

Our record for four years was to control all federal spending including entitlements at 2.9 percent per year for four years. The lowest rate increase since Calvin Coolidge, and we did it with a liberal Democrat in the White House. So don't tell me it can't be done.

Now that means you have to look at how we'd do it? – by the way we also doubled the size of the National Institutes of Health's budget and we passed the first tax cut in sixteen years to accelerate economic growth and increase revenue through prosperity.

We reformed welfare; this was not a negative – 92 percent of the American people favored welfare reform including 88 percent of the people on welfare. By the time we'd won the argument we were in a position where 2 out of every 3 people on welfare went to work or went to school. They got off of Medicaid, they quit taking welfare money, they started paying taxes, their incomes went up, their lives got better. That was real change. We reformed Medicare when it was scheduled to go broke. We controlled domestic discretionary spending – only twice since World War II has domestic discretionary spending gone down – 1981 and 1995. And let me tell you, these guys are spending so grotesquely I think it would be easy for domestic discretionary spending to go down dramatically. And I think the country would be grateful to have less pork flooding out from politicians and to have more to take home pay from their own hard work.

Today, there are huge opportunities for controlling spending; the level of fraud and corruption which has infected our government is staggering. Let me be blunt, when you read a New York Times story that 97 percent of the people who retire from the Long Island Railroad are getting disabilities, you are reading about a society so corrupt that theft has become the norm. It cost the U.S. taxpayer in the last decade \$250 million for theft by Long Island Railroad retirees.

Our estimate – Jim Frogue at the Center for Health Transformation is going to have a book come out this summer on Medicare and Medicaid. Our estimate is the minimum level of fraud in Medicare and Medicaid is between \$75-120 billion per year. The fact is that in South Florida a couple years ago they closed 17 HIV/AIDS transfusion facilities in the same day – 5 of the 17 were pizza parlors.

Nobody understands in America today how bad these governments are, how incompetent they are, how fundamentally flawed they are, and how many crooks there are that are living off your tax money and running up your debt while not providing you a penny in service. And there's a lot of places to find the money to have tax cuts, economic growth, and work back to a balanced budget at the same time. But real growth is more than just taxes, real growth comes through real encouragement for the private sector combined with real reform of the government bureaucracies. We should repeal the Sarbanes-Oxley Bill which has not accomplished anything in telling us what went on, but cost every company millions of dollars.

And beyond tax policy, we need an American energy policy. We need a policy that emphasizes energy in America and recognizes that the problem is government. It's not that we don't have energy sources. The Bakken Field in North Dakota for example, in the last three years the estimate has gone up by 25 fold – 2500 percent – the amount of oil available. Natural gas discoveries in the last six years because of new technology have produced over 100 years supply of natural gas. In oil shale we have three times the reserves of Saudi Arabia. Brazil proved recently that you can go offshore and they have gone from 10 billion barrels of reserve to 90 billion barrels of reserve in the Atlantic. We have the largest supply of coal on the planet and the article in the Wall Street Journal today is fundamentally foolish because the fact is, at the right price we have more coal than Saudi Arabia has oil and it is an

enormous potential asset. We have bio-fuels and ethanol in growing abundance. We have new breakthroughs in hydrogen, electric engines, wind and solar. America today – in energy- is artificially weakened by bad government policies which favor imports over American energy. And let me assert clearly and simply, bowing to the Saudi king is not an energy policy.

For national security, for the national economy, we should keep the money here. The next great building boom off of energy ought to be in Denver not Dubai. And the American people agree that we need an American energy policy. Last year at American Solutions we launched a petition drive of ‘Drill Here, Drill Now, Pay Less’ and in six weeks we had a million five hundred thousand signatures. 79 percent of the American people agree that both for economic reasons and for national security reasons we should develop American energy and that it is a key to our economic future.

The American people reject an energy tax and that’s all cap and trade is. I never refer to cap and trade – that’s just a fancy liberal phrase to hide the reality – this is an energy tax and every American at every level will pay it and it will export jobs to China.

The American people reject and imperial Environmental Protection Agency which is grotesquely exaggerating its power and one of the bills we should introduce is to replace the current bureaucratic litigation system at EPA with an entrepreneurial innovative system that is fundamentally new and different.

Americans reject the fundamental liberal principle of paying more to get less. I have confess I began reading the Waxman- Markey bill and I gave up when I got to the page where they were explaining how they would regulate Jacuzzis. People who believe that 31 year olds can redesign the energy industry – I mean can redesign the automobile industry and that bureaucrats in Washington need to meddle down to a level of making sure you only get the right Jacuzzi – are people that have lost any sense of what made America unique, any sense of individual liberty, any sense of personal freedom, and the correct answer is to simply defeat them, let them go home, get a tenured faculty job and write books the rest of their life.

Terry Maple and I wrote a book called Contract with the Earth, which is an outline of a green conservatism. I used to teach environmental studies; I believe we can have a sound environmental policy. But I believe that Americans want a creative, entrepreneurial, and effective policy for ample energy at reasonable prices with the money staying in America.

Finally, I think if we want to compete with China and India we have to confront the challenge of education. In 1983, I participated when the Reagan Administration released A Nation at Risk which said that our schools are so bad that if a foreign power was doing to our children what we are doing to them, we would consider it an act of war. Nothing much has changed. The poorest kids in America are trapped in schools that are grotesquely bad. They are more likely to go to jail than to go to college. Their lives are very limited by the very failure to learn.

In 2001, I participated in the report from the Hart-Rudman Commission which President Clinton and I created. We looked out to 2025 in national security; we said that the greatest threat to the United State – this was in March before 9/11 – was a weapon of mass destruction going off in an American city probably from a terrorist group. We said that the second greatest threat to the United States is the failure in math and science education and it is a greater threat than any conceivable conventional war. And not much has been done, despite all the bureaucracy and all the spending we have an immense distance to go if we take seriously producing student who are as well educated as the Chinese and Indian students.

Rev. Al Sharpton actually has it correct, and it may surprise you to hear me quote him, but I think he’s onto a very big idea - that ‘education has to become the first civil right of the 21st century.’

Now is a time to be bold. If we believe that we are endowed by our creator with certain inalienable rights, if we are going to be the party that wraps itself around the Declaration of Independence and stands firm for being Americans then every child deserves to learn. Every adult that has been lost by bad education deserves to learn. Every first time prisoner deserves to learn.

Education is a moral as well as an economic and a national security issue. I would go much further than the President; I favor vouchers although I like Senator Lamar Alexander’s formula that there are simply Pell Grants for K-12. And I would love to have debate over why Pell Grant are good after 12, but not good for K-12.

But there is a zone where we can find common ground with President Obama; he has said consistently in debates including with Senator Clinton in the primaries that he favors unlimited charter schools. And if we were to actively and aggressively to ally with him, and to go into every state in the country and campaign to pass laws at the state level and to campaign to pass federal laws that rewarded those states that adopted unlimited charter schools and allowed every parent to have a choice of any school without having the schools trapped by the unions, or trapped by the education establishment, or trapped by the bureaucracy, we would in fact in the matter of a year or two have fundamentally begun to change the system.

The education establishment today is trying to kill charter schools all across America. It is an immoral and a destructive program. It places the defense of the incompetent ahead of the lives of the children. We need a 'Save the Children' campaign. We also need a 'Save the Uneducated Adults' campaign. And we must take up Chuck Colson's great breakthrough with a faith based prison system which has saved the lives of thousands of people, because we owe it to the almost 2 million Americans in prison to recognize that they too are endowed by their creator with certain inalienable rights and we have a deep moral obligation to them. I believe we have a deep moral obligation to save the unborn, but I also believe we have a deep moral obligation to care for children after they have been born and to help every American in every community have a better future.

We should go boldly into every community. We should reach out to every American, I think it is vital that we do that. And let me just say one last brief thing about healthcare because it is so central to where we are going.

This administration would destroy the American healthcare system. The New York Times I think let the cat out of the bag with its cheerful call for a massive tax increase and for rationing. I think the director of the budget in his statements of rationing should have frightened all of us. I am fundamentally, unalterably opposed to comparative effectiveness becoming the first step towards rationing because if we have been endowed by our creator with certain inalienable rights, how can a government bureaucrat tell you that you don't deserve the best possible medicine, the best possible procedure, the best possible hospital?. And I think the core fight of the next few months will be what we have worked for years at the Center for Health Transformation on. Can we in fact develop a health system that is health base, health reform working on best standards and best procedures, modernizing the system, saving enormous amount of money which would allow us to fundamentally change the system. And can we do it without going to a British style national health system, without going to a system that blocks Americans from getting best practices, and which turns power over to a Washington based bureaucrat to decide whether or not we live.

I think it is a central question to the future of our country.

So let me just close with the following thought. Republican Party has a great a moral challenge as it had in 1858 when Lincoln as an unknown lawyer was campaigning in Illinois. It has as great a challenge as it had in 1976 when Ronald Reagan, having lost the nomination, was invited by President Ford to come down and said, "We may be fewer than we have been, but we have the moral obligation to reach out to every American, to recruit every person, to make our case for America's future."

We stand for a strong national and homeland security system. We stand for a solid base in classic American principles. We can offer far better solutions than the left.

I am very proud to be a Republican activist. I am committed to American principles. I am committed to freedom for the individual. I am committed to defending America.

What is at stake is the future of this extraordinary experiment in individual human freedom.

I hope that each of you will leave here tonight, dedicated for your children, for your grandchildren, and for your country, to reaching out to every person that you can touch, to making the decision that we will win in 2010, and in 2012 in the great tradition of Jimmy Carter – we will make this one more one term left-wing presidency.

And before you say it can't be done, let me remind you of Jon Voight's great quote, "Do not tell me it can't be done."

If it was true for FDR, it's true for us.

Thank you and God Bless you.

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