

****EMBARGOED UNTIL DELIVERY****
REMARKS BY JOHN MCCAIN TO THE 79th
ANNUAL LULAC CONVENTION

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ARLINGTON, VA -- U.S. Senator John McCain will deliver the following remarks as prepared for delivery to the 79th Annual League of United Latin American Citizens (LULAC) Convention in Washington, D.C., today at 12:00 p.m. EDT:

Thank you. I'm very pleased to be here to discuss with you some of the issues in this campaign that most concern Americans, particularly the issue that worries us the most -- the American economy.

All of us know what is happening to the economy. It is slowing. Over 400,000 people have lost their jobs since December, and the rate of new job creation has fallen sharply. Some economists have noted that companies seem to be on a "hiring strike." Americans are worried about the security of their current job, and they're worried that they, their kids and their neighbors may not find good jobs and new opportunities in the future. To make matters worse, gas is over \$4 a gallon and the price of oil has nearly doubled in the last year. The cost of everything from energy to food is rising.

I have a plan to grow the economy, create more and better jobs, and get America moving again. I have a plan to reform government, achieve energy security, and ensure that healthcare and a quality education are affordable and available for all. I believe the role of government is to unleash the creativity, ingenuity and hard work of the American people, and make it easier to create jobs.

At its core, the economy isn't the sum of an array of bewildering statistics. It's about where Americans work, how they live, how they pay their bills today and save for tomorrow. It's about small businesses opening their doors, hiring employees and growing. It's about giving workers the education and training to find a good job and prosper in it. It's about the aspirations of the American people to build a better life for their families; dreams that begin with a job.

So how are we going to create good jobs? Let's start with small businesses, which create the majority of all jobs. A recent report says small businesses have created 233,000 jobs so far this year while other sectors are losing jobs. Small businesses are the job engine of America, and I will make it easier for them to grow and create more jobs. There are two million Latino owned businesses in America, a number that is growing very rapidly. The first consideration we should have when debating tax policy is how we can help those companies grow and increase the prosperity of the millions of American families whose economic security depends on their success.

It is a terrible mistake to raise taxes during an economic downturn. Increasing the tax burden on Americans impedes job growth, discourages innovation and makes us less competitive. Small businesses are the biggest job creators in our economy. Keeping individual rates low isn't intended as a favor to wealthy Americans. 23 million small business owners pay those rates, and

taking more money from them deprives them of the capital they need to invest and grow and hire. If you believe you should pay more taxes, I am the wrong candidate for you. Jobs are the most important thing our economy creates. When you raise taxes in a bad economy you eliminate jobs. I'm not going to let that happen. I will keep current rates low and cut them where I can. For those of you with children, I will double the child deduction from \$3500 to \$7000 for every dependent, in every family in America. I will reduce the estate tax to fifteen percent, so parents who have spent long years working hard to build a business, and provide a decent living to their employees, can leave the product of a lifetime of labor and love to their children.

My health care plan is careful not to impose greater burdens on small business. A "pay or play" health mandate on small business would add a crushing \$12,000 to the cost of employing anyone with a family. That would not only prevent them from creating new jobs, but will force them to cut jobs, and reduce the wages of current employees to pay for it. I intend to make health care more available to more Americans by making it more affordable and portable. The answer is to get health care costs under control by creating real competition among insurance companies, reforming the way medical treatment is billed, and helping American families make their own health care decisions with a \$5000 tax credit.

Our current business tax rate, the second highest in the world, will postpone our recovery from this downturn and make us increasingly less competitive in the world economy. When a corporation plans to expand and hire more workers, they face a choice between building a new plant here at home or building it in a country where they will pay a third or a half the tax rate they pay in America. Employers can hire more people, or they can pay more taxes. They can rarely do both. We can no longer afford the luxury of nostalgia for past times when American business faced little serious competition in the world. I propose to reduce the business tax rate from 35 percent to 25 percent.

The global economy is here to stay. We cannot build walls to foreign competition, and we shouldn't want to. When have Americans ever been afraid of competition? America is the biggest exporter, importer, producer, manufacturer, and innovator in the world. That's why I reject the false virtues of economic isolationism. Any confident, competent country and its government should embrace competition - it makes us stronger - not hide from our competitors and cheat our consumers and workers. We can compete and win, as we always have, or we can be left behind. Lowering barriers to trade creates more and better jobs, and higher wages. It keeps inflation under control. It makes goods more affordable for low and middle income consumers. Ninety-five percent of the world's consumers live outside the U.S. Our future prosperity depends on opening more of these markets, not closing them.

For Americans who have lost their job to foreign competition, I have proposed a comprehensive reform of our unemployment insurance and worker retraining programs. We will use our community colleges to help train workers for specific opportunities in their communities. And for workers of a certain age who have lost a job that won't come back, we'll help make up the difference in wages between their old job and a temporary, lower paid one until they've completed retraining and found secure new employment at a decent wage.

In the global economy what you learn is what you earn. Today, studies show that half of Hispanics and half of African Americans entering high school do not graduate with their class. By the 12th grade, U.S. students in math and science score near the bottom of all industrialized nations. Many parents fear their children won't have the same opportunities they had. That is unacceptable in a country as great as ours. In many schools, particularly where people are

struggling the hardest, the situation is dire, and I believe poses the civil rights challenge of our time. We need to shake up failed school bureaucracies with competition; hold schools accountable for results; strengthen math, science, technology and engineering curriculums; empower parents with choice; remove barriers to qualified instructors, attract and reward superior teachers, and have a fair but sure process to weed out incompetents.

Few problems hurt Americans more than our dangerous dependence on foreign oil, and the rapid and dramatic increase in the price of gasoline it has caused. Obviously, the crisis hurts lower income Americans, who often drive the furthest to work and own the oldest cars. But because the cost of almost everything is affected directly by the cost of oil, the quality of life for many millions of Americans and the growth and hiring plans of millions of small businesses are suffering. Our dependence on foreign oil has been thirty years in the making, and was caused by the failure of politicians in Washington to think long term about the future of the country. If we don't act now to achieve energy security, we are putting our national security, our economy and our environment at grave risk. By 2030, America's demand for energy will rise by nearly twenty percent. Our jobs and our very way of life depend on the next President beginning to solve this challenge.

Two weeks ago, I announced the Lexington Project to secure our energy future, named for the place where Americans first fought for their independence. We will begin by producing more of our own oil and gas. Increasing our own supply will send a message to the market and result in lower prices for oil and gas.

We will develop more clean energy. Nuclear power is the most dependable source of zero-emission energy we have. We will build at least 45 new nuclear plants that will create over 700,000 good jobs to construct and operate them.

The development of clean coal technology will create jobs in some of America's most economically disadvantaged areas. Our coal reserves are larger than Saudi Arabia's supply of oil. Clean coal demonstration projects alone will employ over 30,000 Americans.

My proposal to help automakers design and sell new generations of cars that don't depend on gasoline will re-invigorate that struggling industry. My plan to develop wind and solar power and renewable technologies will drive innovation and create high tech jobs. The Lexington Project will create millions of jobs, help protect our environment, improve our security, and solve the nation's energy problems. It is an ambitious plan, but I am confident our American workers, industry and entrepreneurs are up to this next great challenge in our history. The genius, hard work and courage of Americans have never failed us, and will not fail us now.

Let me close by talking briefly about my respect and gratitude for the contributions of Hispanic-Americans to the culture, economy and security of the country I have served all my adult life. I represent Arizona where Spanish was spoken before English was, and where the character and prosperity of our state owes a great deal to the many Arizonans of Hispanic descent who live there. And I know this country, which I love more than almost anything, would be the poorer were we deprived of the patriotism, industry and decency of those millions of Americans whose families came here from other countries in our hemisphere. I will honor their contributions to America for as long as I live.

I and many other colleagues twice attempted to pass comprehensive immigration legislation to fix our broken borders; ensure respect for the laws of this country; recognize the important economic necessity of immigrant laborers; apprehend those who came here illegally to commit crimes; and

deal practically and humanely with those who came here, as my distant ancestors did, to build a better, safer life for their families, without excusing the fact they came here illegally or granting them privileges before those who have been waiting their turn outside the country. Many Americans, with good cause, did not believe us when we said we would secure our borders, and so we failed in our efforts. We must prove to them that we can and will secure our borders first, while respecting the dignity and rights of citizens and legal residents of the United States. But we must not make the mistake of thinking that our responsibility to meet this challenge will end with that accomplishment. We have economic and humanitarian responsibilities as well, and they require no less dedication from us in meeting them.

When I was in prison in Vietnam, I like other of my fellow POWs, was offered early release by my captors. Most of us refused because we were bound to our code of conduct, which said those who had been captured the earliest had to be released the soonest. My friend, Everett Alvarez, a brave American of Mexican descent, had been shot down years before I was, and had suffered for his country much more and much longer than I had. To leave him behind would have shamed us. When you take the solemn stroll along that wall of black granite on the national Mall, it is hard not to notice the many names such as Rodriguez, Hernandez, and Lopez that so sadly adorn it. When you visit Iraq and Afghanistan you will meet some of the thousands of Hispanic-Americans who serve there, and many of those who risk their lives to protect the rest of us do not yet possess the rights and privileges of full citizenship in the country they love so well. To love your country, as I discovered in Vietnam, is to love your countrymen. Those men and women are my brothers and sisters, my fellow Americans, an association that means more to me than any other. As a private citizen or as your President, I will never, never do anything to dishonor our obligations to them and their families or to forget what they and their ancestors have done to make this country the beautiful, bountiful, blessed place we love.

Thank you.