

**\*\*EMBARGOED UNTIL DELIVERY\*\***  
**REMARKS BY JOHN MCCAIN ON THE PENSION AND FAMILY  
SECURITY PLAN**

Embargoed Until Delivery

Tuesday, October 14, 2008

ARLINGTON, VA -- U.S. Senator John McCain today will deliver the following remarks as prepared for delivery on his Pension and Family Security Plan in Blue Bell, PA, at 11:30 a.m. ET:

Thank you all very much. I appreciate the warm welcome to Pennsylvania, and the hospitality of Montgomery County Community College.

Tomorrow will be the third and final presidential debate, and just 21 days remain until Americans choose their next president. Over the last 21 days, we have seen once-sturdy Wall Street institutions vanish, we have seen huge swings in the market both down and up, and we have seen new federal commitments in the hundreds of billions of dollars. We have seen how suddenly a crisis can unfold these last several weeks, and how great the costs can be in jobs, savings, lost opportunities and taxpayer dollars. What we need to see now is swift and bold action to lead this country in a new direction.

If I am elected president, I will help to create jobs for Americans in the most effective way a president can do this – with tax cuts that are directed specifically to create jobs, and protect your life savings. I will stand up to the corrupt ways of Washington, the wasteful spending and the abuses of power and I will end these abuses, whatever it takes. I will lead reforms to help families keep their homes, and retirees to keep their savings, and college students to pay their tuition, and every citizen to afford health care, and America to reclaim its energy independence. These will be my priorities. We cannot spend the next four years as we have spent much of the last eight: waiting for our luck to change. The hour is late and our troubles are getting worse. We have to act immediately. We have to change direction now. We have to fight.

That is what I will do in my term as president, and when I leave office I can promise you that this nation will not be on the same path it is today. I will not play along with the same Washington games and gimmicks that got us into this terrible mess in the first place. I am going to Washington to fight for you.

I will begin by making certain that the 700 billion dollars already committed to economic recovery is not used to further enrich the very people and institutions that invited these troubles with their own reckless conduct. Instead of just propping up institutions deemed "too big to fail" in this crisis, we will use more of this public money to help businesses and homeowners that may be too small to survive.

This financial crisis started with our housing crisis, and we cannot fix our markets and the economy until we fix the housing crisis. My plan will protect the value of your home and get it rising again by buying up bad mortgages and refinancing them so if your neighbor defaults he doesn't bring down the value of your house with him. I will direct the government to refinance troubled mortgages for homeowners and replace them with mortgages they can afford. This is what we did during the Great Depression and we can do it again. Helping families who face default, foreclosure, and possible bankruptcy helps all homeowners, and will begin the process of recovery from this crisis. With so much on the line, the moment requires that government act – and as president I intend to act, quickly and decisively.

When the government does provide funds to shore up companies, the terms will be demanding, there will be complete transparency and the safety net for our financial system will not become a golden parachute for failed executives. Moreover, we will not merely inject billions of dollars into companies and walk away hoping for the best. We will require that those companies be reformed and restructured until they are sound assets again, and can be sold at no loss – or perhaps even a profit – to the taxpayers of America.

And when that is accomplished, in each instance, government will relinquish its interest in these private companies. We're going to get government out of the business of bailouts and equity stakes, and back in the business of responsible regulation. We will learn from this crisis to prevent the next one, with much stricter oversight. No more wild overleveraging, no more liabilities concealed from the public and from shareholders, no more bundling of assets to maximize profit by assuming insane risks. Those days are over on Wall Street. With new rules of public disclosure and accounting, my reforms will make certain these betrayals of shareholders and the public trust are never repeated.

We must restore trust to our financial system. On my orders, the Department of the Treasury will guarantee one hundred percent of all savings accounts for a period of six months. This will calm the understandable fears of widespread bank failure, while also restoring rational judgment to the choices of the market.

As president, I will also act to protect investors – especially those relying on their investments for retirement. Current rules mandate that investors must begin to sell off their IRAs and 401Ks when they reach age 70 and one half years old. Those rules should be suspended to spare senior citizens from being forced to sell their stock just as the market is hurting the most. Under the emergency measure I propose, we will also cut the tax rate for withdrawals from tax-preferred retirement accounts to ten percent. Retirees have suffered enough and need relief, and the surest relief is to let them keep more of their own savings.

It is essential that we avoid an exodus of capital from the market. Senator Obama yesterday offered up a proposal that would have the effect of encouraging early withdrawal of funds from 401(k) accounts, by suspending penalties through 2009. This is an invitation to capital flight, and therefore to continued instability in the market, at a moment when exactly the opposite is needed. Any family that takes part in this will not see the benefits of the market recovery that smart policy can help bring about. In my administration, we will instead revive the market by attracting new investment. I will cut in half the capital gains tax on stocks purchased and held for more than a year – from a rate of 15 to 7.5 percent. This vital measure will promote buying, raise asset values, help companies and shore up the pension plans for workers and retirees.

We should also not penalize Americans who are forced to sell investments in today's tough markets. I will increase the amount of capital losses from \$3,000 to \$15,000, which can be deducted from your ordinary income in tax years 2008 and 2009. So much of this decline in our markets and value destruction was due to the failure of Congress and the Administration to come out with a timely rescue package. Investors are always responsible for their investment decisions, but the hard earned savings of Americans should not be penalized by the erratic behavior of politicians.

It will not be enough for the federal government to correct the excesses of Wall Street without reforming its own reckless practices.

Spending in Washington is out of control and I am going to rein it in. As president, I will veto the pork barrel special interest projects that are wasting your tax dollars, driving up our debt, and weakening our dollar. I have proposed a one year spending freeze with certain exceptions for such things as defense and veteran care. We are going to use that year to turn Washington inside out and get rid of wasteful, inefficient programs that do no one any good.

While we put government back on your side, we must reform our tax system to deliver needed tax relief to working Americans, and to create jobs. I will double the child deduction, from 3,500 dollars to 7,000 dollars. Every person in America who chooses it will receive a 5,000 dollars towards the purchase of health insurance – health plans that will be theirs to keep, even if they change jobs or move to another state. And we will reduce the federal business tax rate from 35 percent – the second-highest in the world – to 25 percent. I am also proposing today that for those who are between jobs, we eliminate all taxes on unemployment benefits. It is unclear to me why the government taxes money it has just sent you, and we should relieve this burden from Americans who've been hit the hardest.

Reducing business tax rates has the potential to stop and reverse the rise of unemployment, and could create millions of new jobs. Despite the frequent changes to my opponent's tax plans in recent months – he seems to revise them with each new poll – his plan to raise taxes on 50% of small business income has survived. And even as he rails against companies that shut down their plants and move overseas, he refuses to cut the tax rate that drives many of these companies away.

A typical middle-class family of four making 42,000 dollars a year with health insurance will get 4,350 more dollars under my plan than they would under Senator Obama's plan. That example of 42,000 a year in wages is especially relevant, because just last year Senator Obama voted to raise taxes on individuals making that amount.

Senator Obama is also the same fellow who requested a million dollars a day in pork barrel earmarks ... who thinks that wasting 18 billion dollars a year in earmarks is not worth worrying about, who proposed a near doubling of the taxes on dividends and capital gains during the primary, who has voted 94 times for tax increases or against tax cuts, who is promising almost a trillion dollars in new spending, who came to the Senate a few years ago and already earned the title of its most liberal member – this is the man who now presents himself as a tax cutter and champion of middle-class America.

He is an eloquent speaker, but even he can't turn a record of supporting higher taxes into a credible promise to cut taxes. What he promises today is the opposite of what he has done his

entire career. Perhaps never before in history have the American people been asked to risk so much based on so little.

You can look at the record of what he's done or you can just go with your gut, but either way you're left with the same conclusion: Senator Obama is going to raise your taxes. And in this economy, raising taxes is the surest way to turn a recession into a depression.

Senator Obama also promises to restrict international trade and risk access to foreign markets for American goods and services. The last President to raise taxes and restrict trade in a bad economy was Herbert Hoover. That didn't turn out to well. They say those who fail to learn the lessons of history are doomed to repeat them. Well, I know my history lessons, and I sure won't make the mistakes Senator Obama will. And were my opponent elected with a Democratic Congress in power, not only would there be no check on my opponent's reckless economic policies, there would be considerable pressure on him to tax and spend even more.

This weekend, a plumber concerned that Senator Obama was going to raise his taxes asked him directly about his plan. The response was telling. Senator Obama explained to him that he was going to raise his taxes to quote "spread the wealth around." This explains how Senator Obama can promise an income tax cut for millions who aren't even paying income taxes right now. My friends, my plan isn't intended to force small businesses to cut jobs to pay higher taxes so we can "spread the wealth around." My plan is intended to create jobs and increase the wealth of all Americans.

My plan for economic recovery does not require guesswork or blind faith from the American people. You know my record. You don't have to hope I will do what I promise. When I say I will cut spending, you need only look at my record to know it's true. When I say I will defend taxpayers, you know it's true because it's what I've always done. When I say I will work across the aisle, you can see it in the results I've delivered.

And when I say I will change Washington, you know I'll do it, because for me change isn't a political slogan, it's what I've been doing my whole career.

I know you're worried. America is a great country, but we are at a moment of national crisis that will determine our future. Will we continue to lead the world's economies or will we be overtaken? Will the world become safer or more dangerous? Will our military remain the strongest in the world? Will our children and grandchildren's future be brighter than ours?

My answer to you is yes. Yes, we will lead. Yes, we will prosper. Yes, we will be safer. Yes, we will pass on to our children a stronger, better country. But we must be prepared to act swiftly, boldly, with courage and wisdom.

I know what fear feels like. It's a thief in the night who robs your strength.

I know what hopelessness feels like. It's an enemy who defeats your will.

I felt those things once before. I will never let them in again. I'm an American. And I choose to fight.

Don't give up hope. Be strong. Have courage. And fight.

Fight for a new direction for our country.

Fight for what's right for America.

Fight to clean up the mess of corruption, infighting and selfishness in Washington.

Fight to get our economy out of the ditch and back in the lead.

Fight for the ideals and character of a free people.

Fight for our children's future.

Fight for justice and opportunity for all.

Stand up to defend our country from its enemies.

Stand up, stand up, stand up and fight. America is worth fighting for. Nothing is inevitable here. We never give up. We never quit. We never hide from history. We make history.

Now, let's go win this election and get this country moving again.