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INTRODUCTION: A THIRD TERM OF THE BUSH AGENDA

Memorandum to Interested Parties

From: John Podesta, President and CEO, Center for American Progress Action Fund James Kvaal, Senior Fellow, Center for American Progress Action Fund

Subject: John McCain: A Third Term for the Bush Agenda

As the general election begins, we expect a renewed focus on Sen. John McCain's policy platform. McCain is advocating a radically conservative agenda that is largely indistinguishable from the failed policies of President George W. Bush. We expect an intense debate over these ideas and the direction of our country. We provide the following information in the hope that it will be helpful to you in your upcoming public appearances, town hall meetings, and media interviews.

In recent conversations with journalists and commentators, we have been repeatedly confronted with the same myths about McCain. The misperception persists that he is a maverick that proposes moderate policies, no matter how conservative his actual agenda is. He has an opportunity to make deep inroads into key voter groups like independent voters, women, and working-class families. He is "a different kind of Republican."

The facts do not bear this out, however. The truth is that a McCain presidency is likely to be a third term for President Bush's policies. On the major issues of today, McCain has either been aligned closely with Bush or he has renounced his past positions and is now aligned closely with Bush. He claims to have differences with the president on certain key issues, but in fact the two men's current positions on these issues are very similar. American voters are beginning to see McCain's policies for what they are: 64 percent of voters say that McCain will continue Bush policies or adopt even more conservative policies. Even the slogan "a different kind of Republican" is recycled from Bush. "

1. On the Big Issues, McCain Agrees with Bush

McCain professes to disagree with Bush on some issues, but not on the biggest issues. On the most important issues facing our country—the war in Iraq, the economy, and health care—McCain's policies are "virtually indistinguishable" from Bush's approach. iii

The War in Iraq

Like Bush, McCain is committed to continuing an endless war in Iraq. While Bush says the war in Iraq could last 40 years, McCain has said that he is willing to stay for 100. When Bush was pumping false intelligence to the public before the war, McCain was a reliable echo. When Dick Cheney and Paul Wolfowitz said we'd be greeted as liberators, McCain said the same. When Bush urged "stay the course" in Iraq, McCain followed. When Bush recommended a troop surge, McCain was the foremost supporter (see additional information on McCain's record supporting Bush's strategy in Iraq below).

McCain has said "no one has supported President Bush on Iraq more than I have." Exactly right. And he will pursue Bush's agenda of a long-term military presence in Iraq, regardless of the increasing regional threats and the escalating financial and human costs of this war. This is the wrong approach for our country.

The Economy

With gas prices near \$4 a gallon, McCain's answer to our energy problems is nearly \$4 billion a year in tax cuts for the five biggest American oil companies. More than half of his new tax cuts—\$170 billion a year—would go to corporations.

Like Bush, McCain has made massive tax cuts the centerpiece of his economic agenda. McCain once opposed the Bush tax cuts as unfair to the middle class and too expensive in a time of war. Now, however, he has taken the opposite extreme, embracing the permanent extension of Bush's tax cuts and proposing an additional \$300 billion a year in tax cuts. McCain's plan would essentially double the size of the Bush tax cuts, and the top 1 percent of taxpayers will get an even larger share of McCain's new tax cuts than they did of Bush's cuts. As progressives, we oppose this unwise and unfair tax policy.

McCain opposes helping communities purchase homes in foreclosure, a step that would protect neighboring properties from a sudden drop in value, eliminating home equity and possibly causing a vicious cycle of foreclosures. His foreclosure plan would reach only 200,000 to 400,000 borrowers by his campaign's own optimistic estimate, a number that is far smaller than what is needed and explicitly excludes victims of predatory lending.

Health Care

McCain is campaigning on a health care plan that envisions a radical transformation of our health care system.vii It envisions a system where most Americans shop for health insurance on their own in a highly deregulated market. It reforms the tax treatment of health insurance to promote individual insurance rather than job-based health benefits, and it makes it difficult for states to ensure minimal consumer protections on insurance plans. Tens of millions of Americans with preexisting conditions, such as cancer and diabetes, are likely to find coverage much more difficult to find and expensive to afford.

The McCain plan is also radical in another way: It envisions insurance plans that require greater deductibles and copayments that encourage patients to act more like "consumers." In other words, it will make health care more expensive in the hopes that patients will use less of it. However, studies show that higher costs lead families to avoid necessary care as well as wasteful care. In particular, higher costs undermine effective preventive care and care for chronic diseases that can bring down overall health care costs.

The McCain plan closely resembles a deeply unpopular proposal Bush unveiled in his 2007 budget.viii Lawmakers were right to reject that plan, which failed to even earn a hearing on Capitol Hill.

<u>Judges</u>

McCain has pledged to appoint "clones of Alito and Roberts" to the Supreme Court. ix In his address on his judicial philosophy, he declared that "Chief Justice Roberts and Justice Samuel Alito meet [my] standards in every respect."

McCain has also promised to appoint "strict constructionists." He adds, "I happen to view life to begin at conception, and that is a moral belief I have. And, therefore, I think that Roe v. Wade was not only a bad decision but a flawed decision."

It is important to remember that his appointments would not be limited to the Supreme Court. He would make dozens of selections for lower courts as well. His appointments will have a decisive effect on the federal courts, and progressives should oppose their confirmation.

2. McCain's Claimed Differences from Bush Are Minor

In a speech earlier this week, McCain cited four other areas where he differed from Bush: the conduct of the war in Iraq, climate change and energy policy, government spending, and the treatment of the detainees. In each of these areas, however, McCain's positions look much more like Bush than different from him.

War in Iraq

McCain claims to have been the administration's "greatest critic" in the war's first few years. XiV In fact, McCain was one of the staunchest defenders of the administration's war strategy. In March 2003—the month the invasion began—McCain said he had "no qualms about our strategic plans." He believed that the Bush administration had "an appropriate strategy." In 2004, he remained "confident we're on the right course." In 2005, he still believed that troop levels were adequate: "I think we have in numbers [sic] probably enough." Yaviii

McCain repeatedly predicted the success of Bush's approach. Like Cheney, Wolfowitz, and others, he predicted that "the Iraqi people will greet us as liberators." In 2003, he said "I believe the war in Iraq can be concluded successfully in a relatively brief time." In a later appearance on "Meet the Press," he said "I believe that this conflict is still going to be relatively short." In April 2003, he claimed that "the end is very much in sight," and that all that stood in the way would be "a short period of chaos." "xxii

McCain repeatedly defended Defense Secretary Donald Rumsfeld. In 2004, he told Sean Hannity and Alan Colmes that he believed Rumsfeld had done a "fine job." In another interview, he said that he was "an admirer of Secretary Rumsfeld."

Climate Change and Energy Policy

McCain is no longer a leader on climate change. Despite cosponsoring legislation to cap U.S. emissions of greenhouse gases, he is failing to push global warming at a crucial time. Historic legislation that closely resembles his bill is before the Senate this week, and McCain is withholding his support. XXV Bush also opposes this bill.

Like Bush, McCain also supports subsidies for oil companies. Last year, he opposed a measure to shift \$13 billion in tax breaks from oil companies to wind, solar, and other renewable energy sources. **xvi* However, he continues to support billions of dollars in subsidies for the nuclear industry.

Government Spending

McCain argues that he "opposed wasteful spending by both parties and the Bush Administration." However, McCain's promises to cut spending are long on rhetoric and short on programs targeted to cuts—the same approach taken for years by George Bush. **xxviii*

McCain promises to immediately eliminate \$100 billion in "wasteful spending and earmarks." This figure relies on a Congressional Research Service report that uses a very broad definition of earmarks that includes foreign aid to countries like Israel, Egypt, and Jordan. The *Washington Post* called his \$100 billion claim "largely fantasy." The Heritage Foundation estimated that, at most, it might be possible to eliminate \$9 billion in earmarks. Other than a one-year budget freeze saving \$15 billion, McCain has not proposed any other budget savings. Instead, he has only promised to review lists of wasteful spending and to appoint a commission to draw up a new list. *xxxi*

Under America's first 42 presidents, the nation accumulated \$3.4 trillion in debt and President Clinton had our country on track to pay off the debt. Bush reversed course and is expected to expand the national debt to \$5.4 trillion before leaving office. *xxxii McCain's proposals to date would raise the debt to a whopping to \$12.7 trillion by the end of his second term, *xxxiii which would destroy the value of the dollar and worsen inflation. Progressive should lead the fight toward getting the nation's books in order.

<u>Treatment of the Detainees</u>

After Attorney General Alberto Gonzales claimed that anti-torture laws and treaties did not apply at overseas prisons, McCain sponsored legislation to ban cruel, inhuman, and degrading treatment of detainees in military custody. However, the law includes a major loophole: a provision authored by Lindsay Graham (R-SC) and supported by McCain that prevents courts from enforcing the law. Moreover, McCain sanctions the CIA use of waterboarding and other harsh interrogation methods. **xxxiv**

This morning's *New York Times* revealed that McCain believes that President Bush's warrantless wiretapping program—which took place outside the laws passed by Congress—was nonetheless lawful. **xxxv** According to the *Times*, McCain's support for wireless wiretapping contradicts earlier statements that presidents should obey wiretapping statutes.

Immigration

On immigration issues, McCain has broken with Bush—he is now more conservative. McCain once worked with Bush and Sen. Ted Kennedy (D-MA) to champion a comprehensive approach to immigration reform that combined border enforcement with an opportunity for undocumented immigrants to earn citizenship. Now, however, McCain says he "got the message." According to ABC News, "He hasn't exactly renounced the bill he championed in the spring, but he has fine-tuned his position and changed the emphasis to assure the skeptics and critics — and there are many — that dealing with the fate of those already in the country only occurs after the borders are secured." XXXXVII

3. McCain Lacks the Special Appeal He Claims to Have with Key Groups

The conventional wisdom holds that in the current political environment, the "moderate" McCain has a unique opportunity to make gains among demographic groups that supported Senator Hillary Clinton (D-NY), particularly women, Latinos, and the working class. Neither McCain's positions on issues important to these groups nor recent polling data support this idea.

Women

Contrary to the conventional wisdom, McCain's support among women is not strong. In fact, McCain today has less support from women than Bush did in 2004. While Bush won 48 percent of women in 2004, McCain gets support from only 44 percent. **xxxviii* McCain's weak support may be related to the fact that McCain is not a moderate on issues important to women.

McCain has opposed efforts to guarantee women equal pay. On April 23, McCain skipped a vote to invoke cloture on the Lilly Ledbetter Fair Pay Act. The Associated Press reported that he opposed it "because it would lead to more lawsuits." Asked by a 14-year-old girl about his opposition to equal pay laws, McCain said, "I don't believe that this would do anything to help the rights of women, except maybe help trial lawyers and others in that profession." **I

McCain has repeatedly opposed federal funding for abortion, even in cases of rape or incest. **Ii He joined just 20 other senators in opposing family-planning grants and only 18 others in prohibiting the use of Medicaid dollars for abortions in cases of rape and incest. **Iii In 2003, McCain voted for Senator Rick Santorum's bill to ban the so-called

"partial-birth abortion" bill, even though the procedure would only be allowed when it is necessary to save a woman's life. xliii

Working Class

Perhaps due to the failures of Bush's economic policies, McCain's support is lagging among working-class voters. Bush won 51 percent of working-class voters in 2004, but McCain has earned the support of only 45 percent of them.

McCain voted against raising the minimum wage at least seven times. Xliv During the housing crisis, McCain rejected "activist approaches." He placed the blame on homeowners while supporting the bailout of Bear Stearns. Xliv

While working class families are struggling with stagnant wages, higher energy costs, and rising unemployment, McCain told the *Boston Globe* that "[t]he issue of economics is not something I've understood as well as I should." McCain's tax plan offers little or nothing to middle-class families, while delivering the majority of its benefits to the top 1 percent of taxpayers. Alviii One of his top economic advisors, Carly Fiorina, defended the outsourcing of American jobs before receiving a \$42 million severance package. It is unclear how working class voters will relate to her circumstances.

Latinos

Hispanics' median family income declined by an average of 0.5 percent per year from 2000 to 2006, after rising in the 1990s. Latinos also have been among those most affected by the economic downturn. The unemployment rate for Hispanics in the United States rose to 6.5 percent in the first quarter of 2008, well above the 4.7 percent rate for all non-Hispanics. The unemployment rate among Latino immigrants was 7.5 percent in the first quarter of this year. Of working-age Latinos, 52.5 percent are immigrants. In

The housing crisis is also falling particularly hard on Hispanic households. Many more Hispanics got high-cost mortgages than did whites. Nearly 46 percent of home-purchase loans made to Hispanics in 2006 were high-cost, as opposed to only 18 percent for whites. ^{lii} The crisis is expected to cost Hispanic homeowners between \$75 billion and \$129 billion. ^{liii}

College education is a particularly important issue for many Hispanic families. McCain has repeatedly voted against additional funding for Pell grants and other forms of student aid. liv

McCain's ties to Bush policies are likely to hurt him among Latinos. Some 41 percent of Latino registered voters say the policies of the Bush administration have been harmful to Hispanics, while just 16 percent say they have been helpful. McCain's performance among Latinos is 7 points behind that of Bush in 2004. More Latinos give McCain an unfavorable rating than give him a favorable one (32 percent to 25 percent). Note that the same percent is a percent to 25 percent.

APPENDIX Further Research

1. On the Big Issues, McCain Agrees with Bush

Iraq

McCain: "No One Has Supported President Bush On Iraq More Than I Have." Like Bush, McCain is committed to continuing an endless war in Iraq. While Bush says the war in Iraq could last 40 years, McCain has said that he is willing to stay for a 100. And he intends to pursue Bush's agenda of a long-term military presence in Iraq.

McCain Was Not The Administration's "Greatest Critic" In The War's Early Years, As He Has Claimed. In fact, McCain was one of the staunchest defenders of the Administration's war strategy:

- Like Bush, McCain Drastically Misjudged The Post-War Situation. On "Meet the Press" in 2002, McCain said, "I believe that it [the war] will not be nearly as difficult as some allege." On "Meet the Press," he said "I believe that this conflict is still going to be relatively short." In 2003, McCain assured Katie Couric that "the Iraqi people will greet us as liberators." In a 2003 New York Times op-ed, McCain wrote that the Iraq War would "significantly improve the stability of the region." On "Hardball" in 2003, McCain incorrectly stated, "There's not a history of clashes that are violent between Sunnis and Shiahs. So I think they can probably get along." In April 2003, he claimed that "the end is very much in sight," and that all that stood in the way would be "a short period of chaos."
- McCain Repeatedly Defended The Bush Administration's Iraq Strategy, Including Troop Levels. In 2003, McCain said he had "no qualms about our strategic plans." Shortly after the invasion, he said the Bush administration's plan was "an appropriate strategy." Years later, he specifically defended the original troop levels sent to Iraq, telling Tim Russert in 2005, "I think we have in numbers [sic] probably enough." In a 2004 interview on ABC News' "This Week," McCain said, "I'm confident we're on the right course."
- McCain Repeatedly Defended Defense Secretary Donald Rumsfeld. In the wake of the Abu Ghraib scandal in 2004, McCain said on "Hannity and Colmes," "Yes, today I do and I believe he's done a fine job," McCain responded. "He's an honorable man." Also in 2004, McCain told John Gibson that he was "an admirer of Secretary Rumsfeld," that he "didn't think he could be judged yet," and that "it's totally premature to call for any change in his status." In 2006, McCain refused to join calls for Rumsfeld's resignation.
- Like Bush, McCain Greatly Misjudged the Cost of the War. Echoing former Undersecretary of Defense Paul Wolfowitz's infamous prediction that Iraq could "finance its own reconstruction," McCain said in 2003, "As far as the cost is

concerned, Iraqis have vast oil reserves and they, I'm sure, would shoulder the cost of the transition." lxxi

Economy

McCain's Answer To \$4-A-Gallon Gas: \$4 Billion Per-Year Tax Giveaway To Top U.S. Oil Companies. As president, McCain would cut the corporate tax rate from 35 percent to 25 percent and allow corporations to immediately deduct all of their investments in equipment and technology. Reducing the corporate tax rate alone would deliver a \$3.8 billion tax cut to the five largest American oil companies. Ixxii

McCain Would Double The Size Of The Bush Tax Cuts, Give More To The Top 1 Percent, and Give More Than Half To Corporations. The top 1 percent of taxpayers will get an even larger share of McCain's new tax cuts than they did of Bush's tax cuts, and half of McCain's tax cuts -- \$170 billion a year – would go to corporations. lxxiii

McCain Opposed Aid To Homeowners And Placed Blame On Homeowners, While Supporting Bailout of Bear-Stearns. The *Sacramento Bee* reported, "Sen. John McCain, R. Ariz., on Tuesday called for mortgage lenders to help struggling homeowners stay in their homes but said government's role should be temporary and limited. 'It is not the duty of government to bail out and reward those who act irresponsibly, whether it's big banks or small borrowers,' McCain said in a speech in Santa Ana." lxxiv

Health Care

McCain's Radical Plan Would Force People into the Individual Market. McCain's plan envisions a system where most Americans shop for health insurance on their own in a highly deregulated market. It reforms the tax treatment of health insurance to promote individual insurance rather than job-based health benefits, and it makes it difficult for states to ensure minimal consumer protections on insurance plans. lxxv

Tens Of Millions Of Americans With Preexisting Conditions Will Be Locked Out. People with chronic diseases are particularly at risk from McCain's plan. Employers do not charge these workers higher premiums, but insurers selling individual policies usually do – if they cover them at all. There are 56 million non-elderly adults with employer-sponsor health insurance who have at least one of twelve chronic illnesses (this figure does not include children). Employers insure 62 percent of all adults with chronic illness. Ixxvi

McCain Wants To Make Health Care More Expensive So People Will Use Less Of It. McCain's plan envisions insurance plans that require greater deductibles and copayments that encourage patients to act more like "consumers." However, studies show that higher costs lead families to avoid necessary care as well as wasteful care. In particular, higher costs undermine effective preventive care and care for chronic diseases that can bring down overall health care costs. lxxvii

Climate Change and Energy Policy

McCain Is No Longer A Leader On Climate Change. Despite cosponsoring legislation to cap U.S. emissions of greenhouse gases, McCain is failing to push global warming at a crucial time. Historic legislation that closely resembles his bill is before the Senate this week, and McCain is withholding his support. Bush also opposes this bill. lxxix

Like Bush, McCain Supports Subsidies For Oil Companies. Last year, McCain opposed a measure to shift \$13 billion in tax breaks from oil companies to wind, solar, and other renewable energy sources. However, he continues to support billions of dollars in subsidies for the nuclear industry. lxxx

Government Spending

McCain's Savings And Earmarks Claims Are False. McCain promises to immediately eliminate \$100 billion in "wasteful spending and earmarks." But this figure relies on a Congressional Research Service report that uses a very broad definition of earmarks that includes foreign aid to countries like Israel, Egypt, and Jordan. The Washington Post's "Fact Checker" called his \$100 billion claim "largely fantasy." The Heritage Foundation estimated that, at most, it might be possible to eliminate \$9 billion in earmarks. Other than a one-year budget freeze saving \$15 billion, McCain has not proposed any other budget savings. Instead, he has only promised to review lists of wasteful spending and to appoint a commission to draw up a new list. Ixxxii

McCain Would Create The Biggest Debt In Decades. Bush is expected to expand the national debt expanded to \$5.4 trillion before leaving office. McCain's proposals to date would raise the debt to a whopping to \$12.7 trillion by the end of his second term. Ixxxiv

3. McCain Lacks the Special Appeal He Claims to Have with Key Groups

Women

McCain Is Weak With Women. McCain today has less support from women than Bush did in 2004. While Bush won 48 percent of women in 2004, McCain gets support from only 44 percent. Ixxxv

McCain Opposes Equal Pay Efforts. On April 23, McCain skipped a vote to invoke cloture on the Lilly Ledbetter Fair Pay Act. The *Associated Press* reported that he opposed it "because it would lead to more lawsuits." Asked by a 14-year-old girl about his opposition to equal pay laws, McCain said, "I don't believe that this would do anything to help the rights of women, except maybe help trial lawyers and others in that profession." Is a profession." Is a profession.

McCain Opposes Federal Funding For Abortion, Even In Cases Of Rape Or Incest. laxxviii He joined just 20 other senators in opposing family-planning grants and only 18 others in prohibiting the use of Medicaid dollars for abortions in cases of rape and incest. laxxiix In 2003, McCain voted for Senator Rick Santorum's bill to ban the so-

called "partial-birth abortion" bill, even though the procedure would only be allowed when it is necessary to save a woman's life. xc

Working Class

McCain Lags Bush Among Working-Class Voters. Bush won 51 percent of working-class voters in 2004, but McCain has earned the support of only 45 percent of them.

McCain Voted Against Raising The Minimum Wage At Least Seven Times. xci

McCain Said He Doesn't Understand Economics "As Well As [He] Should." McCain told the *Boston Globe* that "[t]he issue of economics is not something I've understood as well as I should." McCain's tax plan offers little or nothing to middle-class families, while delivering the majority of its benefits to the top 1 percent of taxpayers. xciii

Top McCain Advisor Defends Outsourcing. One of McCain's top economic advisors, Carly Fiorina, defended the outsourcing of American jobs before receiving a \$42 million severance package. *xciv*

Latinos

McCain is Weak With Latinos. McCain's performance among Latinos is 7 points behind that of Bush in 2004. ** More Latinos give McCain an unfavorable rating than give him a favorable one (32 percent to 25 percent). ** xcvi*

Latinos Hard-Hit By Economic Down-Turn. Hispanics' median family income declined by an average of 0.5 percent per year from 2000 to 2006, after rising in the 1990s. The unemployment rate for Hispanics in the U.S. rose to 6.5 percent in the first quarter of 2008, well above the 4.7 percent rate for all non-Hispanics. The unemployment rate among Latino immigrants was 7.5 percent in the first quarter of this year. Of working-age Latinos, 52.5 percent are immigrants. **xcviii**

Latinos Hard-Hit By Housing Crisis. Many more Hispanics got high-cost mortgages than did whites. Nearly 46 percent of home-purchase loans made to Hispanics in 2006 were high-cost, as opposed to only 18 percent for whites. **The crisis is expected to cost Hispanic homeowners between \$75 billion and \$129 billion.**

McCain Opposed Pell Grant Funding. College education is a particularly important issue for many Hispanic families. McCain has repeatedly voted against additional funding for Pell grants and other forms of student aid. ci

McCain's Ties To Bush Policies Are Likely Hurt Him Among Latinos. Some 41 percent of Latino registered voters say the policies of the Bush Administration have been harmful to Hispanics, while just 16 percent say they have been helpful.



CHAPTER 1: ECONOMY



THE WINNING ARGUMENT: John McCain's Economic Plan

I. John McCain's tax plan is hugely expensive and highly regressive.

- <u>John McCain wants to double George Bush's tax cuts.</u> He is proposing an additional \$300 billion a year in tax cuts on top of keeping Bush's tax cuts permanent.
- McCain's tax cuts deliver \$175 billion a year to corporations, including:
 - \$45 billion a year for the top 200 corporations in America (the *Fortune* 200) (report forthcoming)
 - o \$1.4 billion a year for Wal-Mart (forthcoming)
 - o \$1.2 billion a year for ExxonMobil
 - o \$4 billion a year for the top 5 oil companies in the U.S.
 - o \$2 billion for the top 10 health insurance companies in the U.S.
 - o \$3 billion for the top 10 energy and utility companies in the U.S.
- McCain's tax cuts deliver nearly half of their benefits to the top 1 percent of taxpayers, and the bottom 80 percent get less than 20 percent of the benefits.
 McCain's "80/20 rule" makes his tax cuts even more regressive than Bush's.
- McCain's tax cuts provide <u>virtually no benefit for the 36.5 million Americans</u> living in poverty.
- Paying for McCain's tax cuts would require massive reductions—from 20 to 40
 percent—in popular domestic programs such as Head Start, Pell Grants, Title I school funding, and nutrition aid for mothers and children.
- In 2001, a time of relative peace when the U.S. enjoyed huge budget surpluses, John McCain opposed President Bush's tax cuts because he believed they were unfairly tiled to the rich and fiscally irresponsible. Today, in a time of war when the U.S. is running huge deficits, McCain is running for president on a tax plan that is less fair and more fiscally irresponsible than the Bush tax cuts he once opposed.

II. John McCain's fiscal plan is highly irresponsible.

• McCain has accounted for only about ten percent of the money he needs to pay for his tax plan. Experts estimate that McCain has identified a maximum of \$33 billion in savings to pay for his \$300 billion per-year tax cut package. (McCain has admitted that his savings accounting "disagrees with the experts.")





- McCain's claim to save \$60 billion by cutting earmarks was described to the Wall Street Journal as "so intellectually dishonest it's outrageous" by a former Reagan administration tax official. The most credible effort at earmark accounting in recent years, conducted by Taxpayers for Common Sense, totaled earmarks at \$18.3 billion in the FY2008 budget. The Heritage Foundation puts the number at \$9 billion. McCain has not clarified how he arrives at \$60 billion.
- McCain's current fiscal plan would create the largest federal deficits in 25 years, and plunge the U.S. into the deepest debt since World War II. McCain's policies would leave a national debt of \$12.7 trillion by the end of a two-term presidency. Based on the Congressional Budget Office's GDP estimates, this would total 59 percent of the projected GDP in 2017, the highest levels of debt since 1951 when America was still paying off the costs of World War Two.
- McCain's plan would <u>slash government revenues to their lowest levels since</u> <u>before 1962</u>. Government revenues have averaged 18.3 percent of GDP for the past 25 years, but would average only 16.3 percent of GDP for the duration of McCain's two terms. Under current Bush policy, revenues would remain above 18 percent of GDP.





McCain Adopts 'Entire' Norquist Agenda, Will Double The Bush Tax Cuts

Our guest bloggers are <u>Robert Gordon</u> and <u>James Kvaal</u>, Senior Fellow and Domestic Policy Advisor, respectively, at the Center for American Progress Action Fund.

Everyone knows that John McCain has <u>reversed</u> himself on the Bush tax cuts, which he once said came "at the expense of middle-class Americans." What's not yet well known is that McCain has offered his own massive tax cuts, mostly for corporations, that are as costly as Bush's tax cuts and even more regressive.

McCain has won the heart of far-right tax activist Grover Norquist, who only three years ago was calling McCain "the nut-job from Arizona" and a "gun-grabbing, tax-increasing Bolshevik." But here's what Norquist says about McCain now:

[John McCain] campaigned on being very good on taxes in this election cycle... that he will continue to make [the Bush tax cuts] permanent, that he will veto any tax increase, period, that he wants to cut the corporate rate from 35 percent to 25 percent, that he wants to have full expensing, that he wants to abolish the AMT In addition to being the Americans for Tax Reform's entire agenda, that is a very pro-growth set of policies he has put forward, and he articulates why they are important.

The McCain plan may please Norquist, but what does it mean for middle-class families? According to a <u>new analysis released today</u> by the Center for American Progress Action Fund, McCain's new proposals would do the following:

- Double the size of the Bush tax cuts, costing more than \$2 trillion in their first decade.
- **Do virtually nothing for the middle class:** only 9 percent of the tax cuts will go to the bottom 80 percent of households, while 58 percent will go to the top 1 percent of households.
- Follow Norquist's blueprint that's been called a "stealth approach to tax reform" and that aims to abandon progressive taxation in favor of a wage tax imposed mainly on low- and middle-income households.

http://thinkprogress.org/wonkroom/2008/03/21/mccain-norquist-agenda/





What You Need To Know About McCain's Economic Plan

Our guest bloggers are <u>Robert Gordon</u> and <u>James Kvaal</u>, fellows at the Center for American Progress Action Fund.

Earlier today, Sen. John McCain outlined a series of <u>economic proposals</u> in a Pittsburgh speech. Here is reaction to his speech:

Corporate Tax Cuts Are Still Front and Center: By far, the biggest and most expensive part of McCain's tax agenda remains his \$1.7 trillion tax cut for corporations. There is little evidence that taxes are hurting American competitiveness; corporate taxes are the <u>fourth-lowest</u> in the industrialized world as a share of the economy.

Tax Cuts Blow a Hole in the Budget: McCain's tax cuts now total approximately \$300 billion a year (in addition to the cost of making the Bush tax cuts permanent). But McCain's proposals to pay for these tax cuts fall far short. For example, he specified only budget cut — charging higher premiums for the Medicare drug benefit — and that would save only \$1 billion a year.

The Gas Tax Break Is Temporary: Unlike McCain's corporate tax cuts, the gas tax rebate would apply only in 2008 – before McCain could be president and implement these ideas. While offering some help to drivers, it would add \$11 billion to the deficit.* A better approach would replace those revenues by repealing special tax breaks for oil companies.

Deliver Most of Its Benefit to the Top: Before today, McCain was running on an extremely regressive tax agenda that delivered <u>58 percent</u> of its benefits to the top 1 percent of taxpayers and only 9 percent to the bottom 80 percent. Doubling the dependent exemption – while not as regressive as McCain's earlier plan – still gives less to regular families than to high-income families in higher tax brackets:

- It is worth \$1225 per child for a high-income earner.
- It is worth \$525 per child for a middle-income earner.
- It is worth nothing to many members of the working poor, who do not pay income taxes (despite paying thousands in payroll and other taxes).

The Wonk Room's more detailed analysis of the McCain speech is available here.

* Because the gas tax is earmarked for investments in infrastructure, the post originally expressed concern of the negative impact on transportation and mass transit. However, this afternoon the McCain campaign clarified that the its proposal would continue to pay for transportation investments out of general revenue.

http://thinkprogress.org/wonkroom/2008/04/15/mccain-econ-speech/





McCain Would Give America's 200 Largest Corporations \$45 Billion In Tax Breaks

Ben Furnas

If you're a CEO of one of America's largest corporations and have enjoyed the Presidency of George W. Bush, a contribution to the McCain campaign is looking like a pretty good investment.

A <u>new report</u> from the Center For American Progress Action Fund finds that a key piece of John McCain's tax plan — cutting the corporate tax rate from 35% to 25% — would cut taxes by almost \$45 billion every year for America's 200 largest corporations as identified by Fortune Magazine.

Eight companies — Wal-Mart Stores Inc., Exxon Mobil Corp., ConocoPhillips Co., Bank of America Corp., AT&T, Berkshire Hathaway Inc., JPMorgan Chase & Co., and Microsoft Corp. — would each receive over \$1 billion a year.

The following table shows the tax savings to America's five largest firms. See a full list of all 200 companies and their savings under McCain here:

MCCAIN'S TAX CUTS FOR AMERICA'S LARGEST COMPANIE							
	WORLDWIDE PROFITS IN 2007	MCCAIN TAX CUT					
Wal-Mart Stores	\$13 billion	\$1.4 billion					
Exxon Mobil	\$41 billion	\$1.3 billion					
Chevron	\$19 billion	\$400 million					
General Motors	-\$39 billion	\$110 million					
ConocoPhillips	\$12 billion	\$1.1 billion					
Total, Top 200 Companies	\$508 billion	\$44.5 billion					

These giveaways are just one part of McCain's <u>doubling of the Bush tax cuts</u> for corporations and the wealthy which would create the <u>largest deficits in 25 years</u> and drive the United States into the deepest deficits since World War II.

A recent analysis by the Public Campaign Action Fund found that John McCain's campaign has received \$5.6 million from the PACs and executives of the Fortune 200.

Over the past eight years, under George W. Bush, American workers have seen their <u>wages</u> <u>stagnate</u> as <u>corporate profits have skyrocketed</u>. John McCain's misguided priorities show he's more of the same: the same \$45 billion in tax cuts for America's 200 largest companies could be used to <u>lift over 9 million Americans out of poverty</u>.

http://thinkprogress.org/wonkroom/2008/06/26/fortune-200-report/



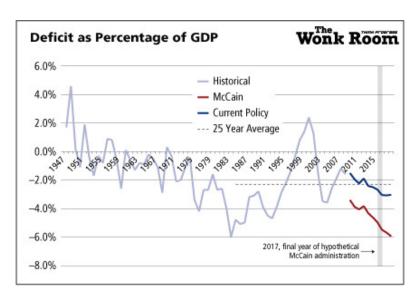


McCain's Budget Would Create Largest Deficit In 25 Years, Largest Debt Since WWII

Ben Furnas

Sen. John McCain <u>promises</u> that, as president, he would "cut taxes and balance the budget." But his current economic plan would create deficits as deep as 5.7% of GDP by the end of a two term presidency — the highest federal budget deficit in 25 years — and would accumulate the <u>biggest debt</u> since the second World War, according to a <u>new analysis</u> by the Center for American Progress Action Fund. McCain's current fiscal plan would recklessly exacerbate the fiscal irresponsibility of the Bush Administration further by gutting revenues far below the average level of the past 25 years.

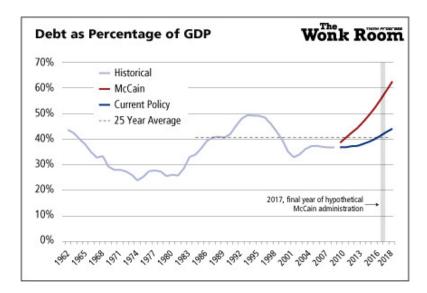
For the past 25 years, deficits have <u>never been more severe</u> than 5% of GDP, with <u>surpluses</u> as high as 2.4% of GDP in the year 2000. Under McCain, yearly deficits would increase sharply, beginning with \$505 billion in FY2009 (3.4% of GDP) and skyrocket to \$1.2 trillion (5.7% of GDP) by FY2017. In 2018 these deficits would reach 6% of GDP, tied with the largest deficits since WW2 in 1983. Current Bush policies <u>would keep the deficit</u> in 2017 to \$660 billion (3.1% of GDP).



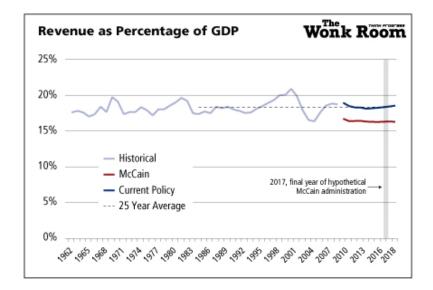
According to the study, McCain's economic plan, (which includes a corporate tax cut, a full repeal of the AMT, and an extension of the Bush tax cuts) would leave a debt of \$12.7 trillion (the highest since 1951 when America was still holding debt from WW2) by the last budget of a two term presidency starting in 2009 (FY2017). This debt is \$3.5 trillion more severe than the one resulting from an extension of current Bush policy, which would leave a debt of \$9.2 trillion (43% of projected GDP).







McCain would slash government revenues, which have averaged 18.3% of GDP for the past 25 years, to their lowest levels since before 1962. Revenues would average only 16.3 percent of GDP for the duration of his two terms. Under current Bush policy, revenues would remain above 18 percent of GDP.



This <u>analysis</u> currently incorporates the most generous possible savings McCain has offered thus far: an \$18 billion cut of wasteful earmarks and a \$15 billion "freeze" in wasteful spending, with the savings grown at the rate of GDP growth over his presidency. These "savings," which come no where near paying for his reckless tax cuts, already include "<u>heavy cuts</u> in after-school programs, student aid, public broadcasting, and job training." To fill the gaping remaining hole, McCain supporters have suggested policies that would lead to "<u>massive cuts</u>" in Social Security.

http://thinkprogress.org/wonkroom/2008/05/15/mccain-deficit/





Earmark Accounting Leaves Two Thirds Of McCain Tax Proposal Unfunded

Our guest blogger is Scott Lilly, a Senior Fellow at the Center for American Progress Action Fund.

Alright, so maybe a candidate for President of the United States doesn't need to know the first thing about the Federal Budget. That's a job for staff—right? But what if a candidate for President doesn't know anything about the budget and can't hire someone who does?

That appears to be the situation that John McCain is in, based on the background provided today by his "Director of Economic Policy" Douglas Holtz-Eakin told reporters recently:

We have \$60 billion in discretionary spending that was sourced to earmarks.

Holtz-Eakin says that money could be used to fix the repeal the alternative minimum tax. The problem is that virtually no one can find even a third that much money in the annual spending bills in earmarks.

The most credible effort at earmark accounting in recent years was completed recently by the Taxpayers for Common Sense. They did an exhaustive review of the 2008 spending bills and reported \$18.3 billion in earmarks. The White House Office of Management and Budget scrubbed the twelve 2008 appropriation bills and came up with only \$16.9 billion. Where does McCain's other \$41.7 billion come from?

There is virtually no explanation. Did Congress spend money in other areas that McCain is counting but neither Taxpayers for Common Sense for the White House counts? That seems to be a hard argument to make. For 2008, the President's request totals \$932.8 billion (not counting the pending supplemental.) The Congressional Budget Office scores the action taken by the Congress on the 2008 appropriation bills at \$932.8 billion—exactly the amount requested.

There were some areas that Congress spent more than the President requested and other areas where Congress spent less than the request. But McCain would find it difficult in most instances to object to the judgments made by Congress, for instance the \$3.8 billion to improve the quality of health care for returning veterans which was included in the final Military Construction—Veterans bill but not contained in the President's request.

It is even difficult to imagine that McCain would want to get rid of all of the earmarks. \$1.2 billion of which was for better housing and facilities for servicemen and their families at military installations around the world.

The disturbing point here, however, is that even by the loose rules of budget discipline used in Washington in recent years this accounting is completely off the wall. Revenue cuts that are offset by phony spending reductions simply add to the deficit and the nation's long term debt burden. Senator McCain needs to detail his figures in a manner similar to the materials provided by OMB and Taxpayers for Common Sense.

http://thinkprogress.org/wonkroom/2008/04/16/earmarks-mccain-proposal/





Sen. McCain's HOME Plan: Late to the Party with a Flawed Plan

By Sarah Rosen Wartell

Attempting again to respond to critics about his weak grip on economic issues and the absence of an economic strategy, Senator John McCain (R-AZ) today offered a kitchen sink of economic proposals, including a long-awaited response to the housing and credit crises.

In his remarks, Sen. McCain makes clear that he continues to oppose providing "funds to purchase homes in foreclosure." What he fails to understand is that foreclosed properties in a neighborhood depress the home values of innocent neighbors who happen to live down the street or around the corner from a foreclosed property—or increasingly a slew of foreclosed or abandoned homes. In addition to attracting crime and vandalism, foreclosed and abandoned properties will effectively evaporate the home equity savings of millions of American families—savings that they hoped to use to send a child to college, for retirement, or for a job loss or medical emergency.

The vast majority of Sen. McCain's colleagues understand this fundamental point. The bipartisan legislation that passed the Senate today by a vote of 84-12 includes \$4 billion for such a Neighborhood Stabilization fund. Both House Financial Services Committee Chairman Barney Frank (D-MA) and Senate Banking Committee Chairman Christopher Dodd (D-CT) include community stabilization resources in their legislation. And the idea is taking off around the country. Governor Deval Patrick of Massachusetts included the same proposal in an economic recovery package he announced yesterday. But states are calling upon the federal government for resources for this need, as evidenced by a bipartisan letter from the National Governor's Association.

Senator McCain's HOME Plan: Late to the Party with a Flawed Plan

Sen. McCain finally recognizes what Treasury Secretary Henry Paulson, federal regulators, and the Bush administration-inspired HOPE NOW Alliance figured out 12 months ago—we need to encourage lenders to write down at-risk mortgages to a value that is both sustainable for the borrower and relates to the current value of the property. Unfortunately, the administration's efforts to extort lenders to do this on their own have failed. The time has come for more powerful government action to drive mortgage restructurings. If not, we face the prospect of a more radical government intervention like direct government ownership of failed assets, as in the savings-and-loan crisis of the 1980s.





Sen. McCain's proposal to get there doesn't make the grade. By the McCain campaign's own (highly optimistic) estimates, his plan would help 200,000 to 400,000 borrowers—when 2.2 million homeowners today face foreclosure. And the plan explicitly excludes those who were victims of predatory lending from participating. Eligibility criteria requires that borrowers were creditworthy at the time the original loan was made, yet many of those steered to high-risk mortgages were not "creditworthy" for a loan of that size and terms.

The key issue today is whether borrowers currently show the capacity to repay the loan at a new principal amount. Why should those who were most victimized by the worst subprime mortgage practices be the first excluded from help?

Then there's the fact that Sen. McCain's plan would be available only to those with an original subprime loan. Today's mortgage crisis extends far beyond the subprime market as more and more prime borrowers are "underwater," owing far more on their homes than the property is worth. If we cannot restructure the loans of viable borrowers into new mortgages, then the larger goal of stabilizing housing prices and restoring credit market liquidity won't be reached.

Finally, the senator's plan relies on the homebuyer to apply for the refinancing. Alas, as the administration's own failed voluntary efforts reveal, far too few borrowers will seek out available assistance. And a loan-by-loan approach is not realistic given the scale of the problem.

The Center for American Progress has proposed <u>a concept</u> included in legislation proposed by Chairmen Frank and Dodd that would allow for bulk transfers of pools of loans to new owners without the conflicts of interest and legal liability concerns of current securitization trusts. These new owners could triage the pools, hold what works, work with borrowers to terminate loans that are not salvageable, and restructure the remainder quickly through streamlined procedures.

That's the right approach. After all, by the time Sen. McCain's new HOME Plan is up and running and borrowers apply, it would be too late.

Sarah Rosen Wartell is the Executive Vice President, Center for American Progress Action Fund and a former official at the Federal Housing Authority

http://www.americanprogressaction.org/issues/2008/home_plan.html





John and Cindy McCain would reap \$373,429 if McCain's tax proposal were enacted

By Faiz Shakir

In a new Center for American Progress Action Fund <u>analysis</u>, Michael Ettlinger documents how much the presidential candidates stand to personally benefit from the McCain and Obama tax proposals. The McCains — who report an annual income of over \$6 million — <u>would receive well over \$300,000</u> from John McCain's tax plan. By contrast, both the Obamas and McCains would receive a substantial, albeit much smaller, savings under Obama's tax plan:

	John and Cindy McCain	Barack and Michelle Obama
Savings Under McCain Tax Plan	\$373,429	\$49,329
Savings Under Obama Tax Plan	\$5,641	\$6,124

Check out The Wonk Room for the full details, including how the McCain and Obama households fared under the Bush tax cuts.

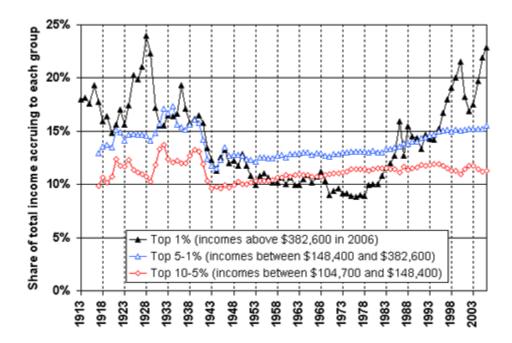




Income Disparity And Wealth Consolidation Show Eerie Resemblances To 1928

Our guest blogger is Robert Gordon, a Senior Fellow at the Center for American Progress Action Fund.

When you're not checking the stock market today, check out <u>Emmanuel Saez's</u> recently updated <u>tables</u> on income inequality. Here's an interesting table:



Look at incomes for the top 1% of earners — the solid black triangles. You'll see that in 2006, their share of the nation's income (22.9%) reached its modern peak. The only year higher? 1928.

Another table shows that the top 10% in 2006 took a bigger share (49.7%) than at any point since 1917. The year 1928 was the runner-up.

Let's hope that 2006 and 1928 don't end up <u>looking similar</u> in other ways. If they do, it will be a good reminder that growth needs to be shared not just because it's right, but also because it'll last longer.

http://thinkprogress.org/wonkroom/2008/03/17/1928-resemblances/





Ex-Reagan Official: McCain Claim On Corporate Expensing Is 'So Intellectually Dishonest It's Outrageous'

Think Progress

Last week, the McCain campaign reaffirmed its proposal to allow companies to immediately deduct the full cost of equipment and technology purchases. The campaign <u>claimed</u> that this proposal has "negligible costs over time," while the Center for American Progress Action Fund <u>disagreed</u> and put the cost at \$75 billion a year based on information from Treasury and CBO (more here, here, and here).

Today, the Wall Street Journal <u>weighs in</u>: [McCain's] campaign also says there is no cost to a proposal regarding the tax treatment of capital expenses. Outside experts put the cost at tens of billions of dollars a year.

Under that plan, the federal government would take an upfront tax hit and be forced to pay additional interest on a larger national debt, said Ronald Pearlman, a tax professor at Georgetown Law Center and assistant secretary for tax policy under President Reagan.

To say there is no cost to the government is "so intellectually dishonest it's outrageous," Mr. Pearlman said. Mr. Bounds, the McCain spokesman, responded: "Clearly there is a difference of opinion here."

The WSJ provides this handy chart detailing the McCain's failure to account for his spending:



http://thinkprogress.org/wonkroom/2008/04/22/expensing-wsj-story/





Douglas Holtz-Eakin Vs. Douglas Holtz-Eakin On Corporate Expensing

Our guest bloggers are Robert Gordon and James Kvaal, fellows at the Center for American Progress Action Fund.

John McCain has proposed to let corporations immediately deduct (or "expense") the full cost of equipment and technology purchases, rather than deducting the costs over time. We analyzed this proposal several weeks ago and concluded that it would cost \$745 billion over the next 10 years.

The McCain campaign and its top economic advisor, Dr. Douglas Holtz-Eakin, are now saying that this central provision of his corporate tax cut will cost taxpayers nothing. But the Congressional Budget Office, when led by Dr. Douglas Holtz-Eakin, reached the opposite conclusion.

The McCain campaign is claiming this measure is free because Treasury will lose money at first, then recoup it over time.

On its face, this doesn't make a lot of sense. We all know \$100 today is worth more than \$10 a year for 10 years. And McCain is saying his plan will increase investment — how could that be if his plan has no cost to the Treasury?

In the past, Holtz-Eakin has recognized that expensing costs money. He signed a cost estimate for making permanent a provision of the 2002 stimulus package that allowed companies to expense 50% of their costs. The estimate is the last line on page 92 here, reproduced below:

92 THE BUDGET AND ECONOMIC OUTLOOK: FISCAL YEARS 2005 TO 2014

Table 4-10.

Effect of Extending Tax Provisions That Will Expire Before 2014														
Billions of dollars	Expiration Date	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total, 2005- 2009	Tota 200 201
Partial Expensing at 50 Percent	12/31/04	3.1	-414	-711	-66.2	-57.5	-48.4	-39.8	-33.0	-28.2	-26.0	-28 <i>A</i>	-284.6	-440

This estimate shows that allowing companies to expense 50 percent of new investments would cost \$440 billion over 10 years. And the costs are still very high, nearly \$30 billion, 10 years after the provision is made permanent. McCain's proposal for 100 percent expensing would be even more expensive.

If Holtz-Eakin was right then, how can he be right now?

http://thinkprogress.org/wonkroom/2008/04/18/corporate-expensing/





The McCain Deficit: Douglas Holtz-Eakin Continues To Debate With Himself

Our guest blogger is James Kvaal, Domestic Policy Advisor at the Center for American Progress Action Fund.

The story so far: Senator John McCain has proposed \$300 billion a year in tax cuts, but – as *The Economist* wrote – "the savings in government spending he promises will not come anywhere close to paying for the tax cuts."

Yesterday, McCain economic advisor Douglas Holtz-Eakin defended his McCain budgeting over at the *National Review*, arguing that McCain's proposals will restrain spending and promote economic growth.

But, as Ruth Marcus pointed out, two years ago Holtz-Eakin sounded very different. He said then that, realistically, "government will not be getting any smaller" due to widespread public support for government's activities. Even a "tremendous effort" by Congress to eliminate wasteful spending totaled less than 0.07 percent of the economy. (McCain's \$300 billion tax cut equals approximately 2 percent of the economy.)

Maybe that is why Holtz-Eakin's new argument focuses on McCain's cuts to entitlement programs like Social Security and Medicare. But McCain has already proposed cutting Social Security and Medicare benefits to restore those programs' solvency. Does he really want even more cuts — hundreds of billions of dollars more — to pay for his tax cuts, as Angry Bear wonders?

It seems more likely that Holtz-Eakin is changing the subject, preferring to discuss the long-run entitlement problem rather than the short-run deficit problem. But adding hundreds of billions, even trillions, to the debt now will only make our long-run problems worse.

http://thinkprogress.org/wonkroom/2008/04/23/mccain-deficit-dhe/





CHAPTER 2: HEALTH CARE



THE WINNING ARGUMENT: John McCain's Health Care Plan

I. John McCain's health care plan is a radical attack on the employer-based system.

• John McCain's health care plan will put the 158 million Americans who currently get health care through their jobs at risk of losing it. McCain wants to eliminate the tax breaks for workers receiving employer-based coverage, wiping out the main incentive employers have to provide health coverage to their employees and likely causing millions of workers to lose coverage.

II. McCain's plan puts sick people at risk of being uninsured.

- As Elizabeth Edwards has pointed out, neither she nor McCain would be guaranteed coverage under his plan. His plan does not guarantee coverage for the 56 million people with pre-existing conditions a category that includes everything from cancer to hay fever and would force them into the individual market, where insurance companies could charge them exorbitant rates or even deny them coverage.
- McCain has said he would draw on the experiences of the states in creating these
 pools, but the experiences of states show that high risk pools have high costs and
 provide little benefits.
 - Thirty states use preexisting condition exclusions to limit enrollment into their high-risk pools.
 - Roughly half of the state high risk pools have deductibles of \$1,000, putting pressure on those with chronic diseases.
 - o In many cases, high risk pools impose a lifetime benefit maximum.

III. McCain's plan will increase costs for millions of families.

- McCain's tax subsidies will increase taxes on millions of households, and for millions more it falls short of making insurance affordable.
- McCain's plan will generate as much as \$20 billion in new administrative costs the fastest-rising cost in the health care industry. Administrative costs are much higher in the individual market, and McCain's push to expand that market could cause them to increase by more than 20 percent over 2007 levels.

IV. McCain's plan is written to benefit big health insurance companies.





- McCain's plan will push people into the individual market, where insurers can refuse to cover pre-existing conditions and deny coverage outright. In fact, insurers will have even more leverage than they do today. McCain would deregulate the health insurance industry and allow insurers to choose states with weak consumer protections as their base for national operations just like credit card companies choose states with weak financial regulations today.
- McCain wants to give a nearly \$2 billion per-year tax break to the 10 biggest health insurance companies in America.





Elizabeth Edwards: Why Are People Like Me Left Out Of Your Health Care Proposal, Sen. McCain?

Our guest blogger is Elizabeth Edwards, wife of former Presidential candidate John Edwards.

I freely admit that I am confused about the role of overnight funding in repurchase markets in the collapse of Bear Stearns. What I am not confused about is John McCain's <a href="heldth:held

Senator McCain likes to start speeches with a litany of questions that, presumedly, less plain-spoken politicians would refuse to answer. Well, here are some questions he does not ask but, as that plain-spoken politician, he might want to answer:

- **1.** Under your plan, Senator McCain, would any health insurer be required to sell you or me (or those like us with pre-existing conditions) a health insurance policy?
- 2. You say your plan is going to increase competition to the point that it actually lowers costs. Isn't there competition today among insurance companies? Haven't costs continued to go up despite that competition?
- **3.** You say that under your plan everyone is going to pay less for health insurance. Nice words, I admit, but they are words we have heard before. You must know when American families calculate the actual cost of health care, they have to include those deductibles and co-pays and not just the cost of the insurance. Are you talking about cheaper overall or just a cheap policy that doesn't kick in until after thousands of dollars of deductibles have been paid?
- **4.** Isn't the type of competition you are talking about really a rush to the bottom? As long as you allow insurers to underwrite and deny access, you encourage insurers to offer plans that may be cheap, but that get that way by avoiding people with cancer or other high-cost diseases or by limiting benefits and treatments, particularly if the treatment is expensive or might be needed for a long time. We all live in the real world; those of us lucky enough to have health insurance have seen how insurers cut coverage and up co-pays or deny particular treatments. The insurance company makes money when it doesn't have to pay for our health care. (I suspect that if they could, they would write obstetrical-only policies for nuns.) Doesn't your plan really encourage insurers plans to compete to avoid people with cancer or other high-cost diseases? Don't you think that the kind of competition that starts with a decent level of required coverage, that doesn't exclude the care we actually need, would be better?

I am not confused about your reputation: you are the straight-talker, you like to say. This is about health care, Senator McCain. Doesn't the American voter deserve some straight answers to these questions? As one of those with a pre-existing condition, I sure would like some straight talk.

[http://thinkprogress.org/wonkroom/2008/04/01/elizabeth-responds/]





Elizabeth Edwards On The Inequitable Individual Market

Our guest blogger is Elizabeth Edwards, a Senior Fellow at the Center for American Progress Action Fund and wife of former Presidential candidate John Edwards.

David Lazarus, in Sunday's Los Angeles Times, brought us a fresh reminder of the challenges posed by preexisting conditions by raising a new one – being a woman.

Senator John McCain's health plan is based on the idea that everyone should be on their own to buy their health insurance on the individual market. And it's an approach fundamentally at odds with the point of health insurance: that we share risks. People with preexisting conditions, like McCain and myself, would pay much more for health insurance under his health plan, if we could get coverage at all.

Insurance companies have all sorts of characteristics they look at in order to <u>increase</u> <u>premiums</u>, such as preexisting conditions, occupation, age, and residence. But I hadn't realized that the McCain plan would enable insurers to "rate-up" my insurance bill for not only my status as a breast cancer patient, but also my gender.

The ability to become pregnant has long been understood as an excuse to charge women more for health insurance (because, of course, men have nothing to do with that particular health condition). But what makes the Lazarus column interesting is that he tells us that insurers are charging women higher premiums even if pregnancy benefits are excluded. Blue Shield of California (Blue Shield) is now charging woman more in the individual market because:

"Our egghead actuaries crunched the numbers based on all the data we have about healthcare," explained Tom Epstein, a Blue Shield spokesman. "This is what they found."

That women get sicker than men?

"It's all about the statistics," Epstein said.

That doesn't really inspire a sense of fairness. Doctors recommend that women have mammograms and other preventative screenings. Is Blue Shield really trying to discourage health screenings? Do they think that women are more accident prone? Whatever their reasoning, one thing is clear – they don't want to enroll too many women:

"We don't want to get a disproportionate share of high-risk people," added Epstein.





As Lazarus noted, "by 'high risk people,' what he means is 'women."

Blue Shield, a not-for-profit company, says they are just following the trend of for-profit insurers in California (at least two competitors already adjust premiums based on gender). Blue Shield exists in a competitive market that rewards insurers for doing the wrong things. In that sense, it isn't fair to pick on Blue Shield in particular, especially since Blue Shield's CEO speaks constructively on health reform.

The point is that the insurers have given us just another example about how the individual market is fundamentally broken. Embracing it as the solution to our health crisis – as the McCain plan proposes to – will only make matters worse.

[http://thinkprogress.org/wonkroom/2008/06/24/elizabeth-individual-market/]





What You Need To Know About McCain's Health Care Plan

By Peter Harbage

Sen. John McCain (R-AZ) released additional details of his health care plan today. In terms of key principles, there was nothing new. Sen. McCain is still not concerned about achieving universal coverage, and he continues to want to put a greater burden on individuals to take on health insurance companies by themselves and hope that they can get needed care.

Today, the Center for American Progress Action Fund released two new analyses of the McCain plan (you can read the whole reports <u>here</u> and <u>here</u>). The only two key things you need to know are the numbers 158 million and 56 million:

- 158 million is the number of people who could lose their existing health care coverage under the McCain plan. McCain believes that individuals should find health insurance by themselves, and he will give them a small tax credit to help cover the cost. To pay for this, McCain ends the tax break given to those who purchase insurance from their employer today. This means that all 158 million people with employer-sponsored coverage today could eventually be forced to find a new health plan.
- 56 million is the number of people who are at risk of not getting health insurance at all under the McCain plan because of their chronic condition. The individual market is notorious for denying coverage to those with preexisting conditions. By creating a system that tries to push people towards individual coverage, McCain's plan could leave out in the cold the 56 million Americans with employer insurance who have one or more chronic diseases like hypertension, arthritis, and asthma.

Overall, the McCain plan today was just more of the same old conservative rhetoric. His promises to help cover those with pre-existing conditions have <u>turned out to be empty</u>. The McCain plan still <u>doesn't help cancer patients</u> like Elizabeth Edwards. Far from improving health care, John McCain will only make it much worse.

[http://thinkprogress.org/wonkroom/2008/04/29/mccain-health-care-speech/]





REPORT: McCain Plan Doles Out \$2 Billion In Tax Cuts For The Biggest Health Insurers

Our guest blogger is James Kvaal, Domestic Policy Advisor at the Center for American Progress Action Fund.

More bad news for regular families today: the median family income is <u>down</u> and income inequality is <u>up</u>. But although John McCain's <u>tax plan</u> costs <u>\$2 trillion</u>, it gives little or nothing to most families.

Instead, McCain chose to earmark <u>80 percent</u> of his tax relief proposals for corporations. He would cut the top tax rate from 35 percent to 25 percent and allow corporations to immediately write off many investments.

For the ten largest American health insurance companies, the McCain plan is worth nearly \$2 billion a year, according to <u>a new analysis</u> released today by the Center for American Progress Action Fund. UnitedHealth Group alone would receive a \$700 million tax cut. The tax breaks come in addition to the <u>benefits of McCain's health care plan</u> for insurance companies.

CORPORATION	U.S. TAXES IN 2007	SAVINGS UNDER THE MCCAIN PLAN
UnitedHealth Group	\$2.5 billion	\$710 million
Wellpoint	\$1.8 billion	\$510 million
Aetna	\$900 million	\$260 million
Humana	\$420 million	\$120 million
Cigna	\$460 million	\$132 million
Health Net	\$150 million	\$43 million
Coventry Health Care	\$330 million	\$94 million
WellCare Health Plans	\$76 million	\$22 million
Amerigroup	\$100 million	\$29 million
Centene	\$19 million	\$5 million
TOTAL	\$6.7 billion	\$1.9 billion

Read the whole analysis here (pdf).

[http://thinkprogress.org/wonkroom/2008/04/09/mccain-tax-health-insurers/]



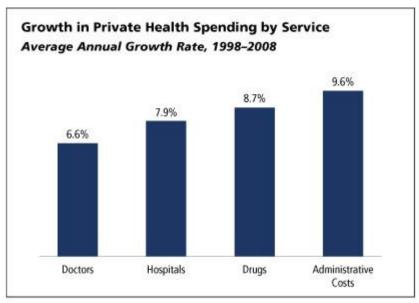


John McCain's Health Care Plan Means High Paperwork Costs

By Peter Harbage

While Sen. John McCain (R-AZ) has claimed that his health care proposal would reduce administrative costs, a new study released by the Center for American Progress Action Fund suggests that his plan to shift coverage from the group market to the individual market could generate as much as \$20 billion in new administrative costs—which represents an increase of more than 20 percent in 2007 dollars.

The study flips McCain's small government rhetoric on its head. Since McCain's plan seeks to shift enrollment from the employer-based insurance market to the individual market, insurers would have to spend much more money marketing and processing individual plans and waste premium dollars on the medical review and legal costs of underwriting and rescission. These costs are significant and are the fastest growing part of health care, as shown in the below chart:



Source: CMS National Health Expenditures.

Administrative costs are what insurance companies use to deny coverage for individuals with preexisting conditions. We need to spend less on administration, not more. Senator McCain takes health care in the wrong direction.

Read the <u>full report</u>.

[http://thinkprogress.org/wonkroom/2008/05/20/mccain-admin-costs/]





McCain's Cost-Containment Plan: Reduce Access to Health Insurance

By Peter Harbage

In a McClatchy story published Sunday on the <u>differences</u> between Sens. Obama's and McCain's health plans, Paul Ginsburg, the president of the <u>Center for the Study of Health System Change</u>, describes McCain's cost-containment measure:

If that tax exclusion is no longer allowed and all I get is a tax credit for \$5,000, well, maybe I'll decide a (cheaper) policy is all I need or all I can afford. I'll get less health insurance, which means I'm going to be paying more of the cost of care, and that is a cost-containment.

Ginsberg touches on the fundamental conservative approach to containing costs: reducing access to health insurance. But as the Center for American Progress Action Fund has argued, conservative ideas on cost-containment "could deepen our health system crisis."

The McCain plan is predicated on the idea that everyone is getting too much health care, and therefore, families should have to pay more money out of pocket in order to reduce the amount of care delivered. He also argues that higher cost sharing will lead to greater competition among providers and insurers. But research shows that higher cost-sharing can reduce utilization of needed care. And with little information available on quality of care, and even less information on costs of procedures, there is no way for individuals to become effective purchasers. All of this leaves families disadvantaged. Indeed, there is every chance that the ultimate result will be an increase in costs as opportunities for care management and preventative care are missed.

In addition, McCain would make care even more difficult to obtain because he focuses on using the individual market, which has few coverage standards. Jon Gruber, a Massachusetts Institute of Technology economist, has <u>said</u>:

Indeed, there is evidence that **encouraging people to join such health plans might act as salt on a wound**, exacerbating some of the very maladies that undermine our health care system's ability to perform at the highest level.

Certainly, there are bipartisan ideas on cost containment. The Partnership to Fight Chronic Disease has been building support for programs on the Right and the Left to manage and prevent conditions like asthma and diabetes. But McCain's approach of leaving persons uncovered will weaken any effort at cost containment. As Henry Aaron, a Brookings Institute economist put it, "Covering nearly all Americans is a precondition for effective measures to limit overall health care spending."

[http://thinkprogress.org/wonkroom/2008/06/16/mccain%e2%80%99s-cost-containment-plan-reduce-access-to-health-insurance/]





McCain's Health Care Death Spiral: Higher Premiums For Sicker People

By Ben Furnas

Earlier this month, Cato's Michael Cannon argued that healthy individuals who purchase health insurance using Sen. John McCain's (R-AZ) proposed <u>health care tax credit</u>, could buy "<u>more secure coverage</u> of high-cost conditions than the current job-based system" allows:

Researchers such as Mark Pauly of the University of Pennsylvania and Susan Marquis of the RAND Corporation have found that the individual market covers lots of people with high-cost medical conditions — so long as they purchased the insurance when they were healthy... Over the long term, then, McCain's plan would provide more secure coverage of high-cost conditions than the current job-based system does.

Cannon is mistaken. In what is known as 'the death spiral,' health insurance companies entice healthy candidates into cheap plans and then increase prices for sicker patients. Consumer Reports explains the tactic like this:

[Companies] stop accepting new customers in a plan, which kicks off a process known as a "death spiral." Even if everyone in an insurance plan starts out relatively healthy, as time goes on, people get sick, and the cost to insure them rises. Once the pool is closed, costs for the remaining members rise inexorably. Healthier members find cheaper plans, but sicker ones are effectively forced out because they can't afford coverage.

While healthy patients who pass another round of medical underwriting can switch to a cheaper plan, patients who develop a disease after purchasing their coverage, fail their underwriting, and are stuck paying higher prices:

"Jesse Paul, 59, an Indianapolis lawyer, paid \$25.50 a month for his individual, \$100- deductible Prudential major medical policy when he took it out in 1980. Premiums rose steadily for years but at a pace that Paul deemed "rational in terms of medical costs." In 2003 the premium shot up from about \$1,200 to about \$1,900 a month at renewal.

When Paul complained to the state insurance department, he learned that **the policy had been closed to new entrants for years, that he was one of only 400 to 600 customers left in the state, and that the premium increase was permissible under Indiana law.** Paul reached his breaking point when he got his latest renewal notice in August; the monthly premium was now \$4,284."

Cannon claims that allowing anyone with pre-existing conditions to purchase insurance would "<u>invite irresponsible behavior</u>." It's curious that Cannon thinks the current behavior of private insurance companies, who would be <u>further unregulated</u> by McCain's plan, isn't "irresponsible."

[http://thinkprogress.org/wonkroom/2008/05/22/mccaindeathspiral/]





What Happened To McCain's Support of Patients' Rights?

By Peter Harbage

Once a strong supporter of patients' rights, Sen. John McCain (R-AZ) today is more worried about insurance companies than patients.

In 2001, McCain was in the middle of Washington's biggest health debate in years. In drafting the Patients' Bill of Rights (S. 1052), McCain's fight though was with Republicans, not Democrats. The goal was to find ways to keep insurers under control and to stop some of the worse abuses of managed care.

McCain's co-sponsors were none other than Sen. Edward Kennedy (D-MA) and John Edwards (D-NC). McCain even <u>co-authored a Washington Post opinion piece</u> with Edwards. Titled "Let's See Some Bi-Partisanship," the piece read in part:

For too long, some of us in Congress have struggled to come up with a way to create rights for patients who have disputes with health maintenance organizations...We all agree that patients deserve basic rights.

McCain was bucking his party. President Bush verbally threatened a veto early in 2001 and then <u>issued a written veto</u> during the summer. Senator Don Nickles of Oklahoma, then part of the Senate Republican leadership, <u>once warned</u>, "Employers beware. There is language in this bill that can bankrupt you." Patients' rights became so difficult for Bush that the newly elected president <u>quipped</u>, "A dictatorship would be a heck of a lot easier, there's no question about it."

That was then. Today, McCain has learned to get along with his party and insurers. When asked recently plans that offer coverage guarantees at reasonable prices and consumer protections for individuals with preexisting conditions, McCain said, "That would be <u>mandating what the free enterprise system does.</u>"

Instead of regulating the insurers, McCain now wants to deregulate them. For example, his plan to allow insurance companies to sell products across state lines would weaken consumer protections. And while John Edwards called for a new and even stronger patients' rights during his 2007 run for president, McCain's position actually weakens patient protections. McCain's plan to enroll everyone in high deductible health plans will create barriers to access for low-income persons.

In 2001, much was made of how Bush was trying to <u>cut his former presidential rival</u> out of the patients' rights negotiation. Maybe McCain found solace for his 2000 presidential loss in knowing that patients' rights debate was an embarrassment to his former rival? Whatever his motivation in the past, McCain has now embraced conservative orthodoxy.

[http://thinkprogress.org/wonkroom/2008/04/18/mccain-patients-bor/]





CHAPTER 3: ENERGY



THE WINNING ARGUMENT: John McCain's energy plan

I. McCain's offshore drilling and gas tax proposals are gimmicks that will not lower gas prices.

- The official government source for energy information and data says that offshore drilling will not have a "significant impact" on gas prices (i.e., the Energy Information Administration).
- John McCain cannot find a single economist to back his claim that offshore drilling will lower gas prices in the short term or even before 2030. His campaign's own economist admits that offshore drilling would have no immediate impact on gas prices. And McCain himself admitted that his offshore drilling proposals would not provide any "immediate relief," but instead "would have a psychological impact that I think is beneficial."
- McCain could not find a single economist to endorse his gas tax holiday proposal, either.
- At the end of the day, John McCain's only answer to \$4/gallon gas is a \$4 billionper-year tax cut for the 5 biggest oil companies in America, including \$1.2 billion-per-year for ExxonMobil.

II. McCain's global warming solutions are out of date.

- Since McCain co-wrote a global warming bill in 2003, evidence has mounted that deadly effects of global warming are already well upon us. Scientists now advocate steeper, swifter reductions in greenhouse gases than McCain included in his bill...
- McCain <u>opposed</u> bipartisan climate legislation when it came to the Senate floor in June. The bill was championed by McCain's one-time partner on the issue, Joe Lieberman (I-CT). Specifically, McCain supported bringing the bill to a vote but said he would vote against it because it did not have enough pork for the nuclear industry.
- McCain's more recent global warming proposal falls short of the needed changes.
 He calls for only a 65 percent cut in carbon emissions by 2050, even though
 scientists say a cut of at least 80 percent is needed. He gives away permits to emit
 greenhouse gases to existing polluters instead of selling them, a multi-trillion
 giveaway to industry rather than using the resources to help regular families with
 higher energy costs.





III. McCain's energy plan contains billions of dollars in pork for the nuclear industry, while shortchanging wind, solar and efficiency.

- In November 2007, McCain said, "I oppose subsidies. Not just ethanol subsidies. Subsidies." But his global warming bill includes nearly \$4 billion in subsides for nuclear power, and his energy plan calls for \$30 billion in subsidies for the coal industry.
- McCain's proposal to build 45 nuclear power plants by 2030 requires massive subsidies because Wall Street investors are reluctant to invest in this grossly expensive and risky technology.
- McCain <u>repeatedly voted</u> against a national renewable electricity standard to require utilities to generate a certain portion of their electricity from wind, solar, geothermal and other renewable sources. Twenty-five states have a renewable electricity standard, including his home state of Arizona.
- McCain is opposed to extending existing tax incentives to encourage energy efficiency and the development of renewable energy.

IV. McCain's record undermines his new energy proposals.

- McCain's \$300 million, one-time cash payment for a new electric battery is yet another gimmick, just like his gas tax holiday.
- McCain is providing much larger incentives for the oil companies to keep doing business as usual.—especially his \$4 billion per year tax break for the 5 biggest oil companies (including \$1.2 billion for ExxonMobil alone).
- If McCain is serious about giving people tax incentives to buy cleaner cars and use renewable energy, why did he help the Republican leadership block clean energy tax incentives twice in the last 6 months? Both times, the package failed by a single vote—his.





McCain's \$4 Billion Giveaway to Oil Companies

Our guest blogger is <u>James Kvaal</u>, Domestic Policy Advisor at the Center for American Progress Action Fund.

Later today, Sen. John McCain (R-AZ) will visit the Petroleum Club of Denver to <u>pick</u> <u>up a stack of cash</u> for his presidential campaign. He should get a warm welcome from the oil and gas executives who show up.

The centerpiece of Sen. McCain's plan to stimulate the economy — actually, the whole plan — is large tax cuts for corporations. It would deliver \$3.8 billion in tax cuts to the five largest American oil companies, according to an analysis released today by the Center for American Progress Action Fund.

THE McCAIN TAX CUT FOR THE FIVE LARGEST AMERICAN OIL COMPANIES			
CORPORATION U.S. TAXES IN 2007 SAVINGS UNDER THE McCAIN P			
Exxon/Mobil	\$4.3 billion	\$1.2 billion	
Chevron	\$1.7 billion	\$480 million	
ConocoPhillips	\$4.3 billion	\$1.2 billion	
Valero Energy	\$1.9 billion	\$550 million	
Marathon	\$1.3 billion	\$370 million	
TOTAL	\$13.4 billion	\$3.8 billion	

The analysis only looked at one of the McCain corporate tax breaks: the proposal to cut the top corporate tax rate from 35 percent to 25 percent. Read the whole analysis here.

[http://thinkprogress.org/wonkroom/2008/03/27/mccain-petroleum/]





McCain Sells His Soul To Big Oil

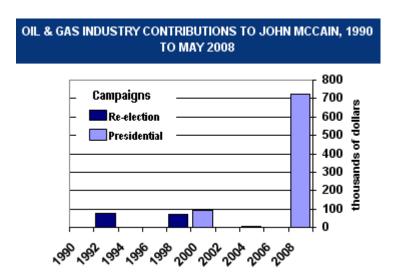
Brad Johnson

Sen. John McCain (R-AZ) is heading to Texas today for a series of fundraisers with the Texas GOP elite in Dallas, San Antonio, and Houston. Wedged between the multiple money events will be a speech in Houston, which McCain has indicated will be on energy policy. Today, McCain told reporters that he will call for:

- Lifting the federal moratorium on off-shore drilling established by President George H.W. Bush,
- Providing incentives to states to commence off-shore drilling, and
- Suspending the gas tax.

This suite of proposals adds up to a big fat kiss to Big Oil and its conservative allies — at the expense of everyone else. <u>Unrestrained fossil fuel use</u> delivers obscene profits for Big Oil but is a <u>threat to the planet</u>. McCain's <u>strong talk</u> on global warming is proving unserious — much as candidate Bush's campaign pledge to regulate carbon dioxide in 2000 <u>turned out to be false</u>. At the very same press briefing, <u>McCain backtracked</u> from his vaunted mandatory system to reduce greenhouse gases.

Strapped for cash and surrounded by Big Oil lobbyists, McCain is now embracing Bush's Exxon-Halliburton energy policy. Although a "megabucks" fundraiser with Midland Texas oilmen was postponed, \$1.5 million in donations have already been pledged. Midland County GOP Chair Sue Brannon told the Midland Reporter-Telegram what will happen at the fundraiser: "When the 15 oilmen giving big time money meet with McCain, all we'll ask is that he be fair." The millions McCain is raising in Texas will be added to his impressive haul of oil industry cash this campaign season — 74 percent of his lifetime receipts:



1990 to 2008 cycle (May), Center for Responsive Politics,





compiled by Center for American Progress Action Fund.

According to a Campaign Money Watch analysis of campaign finance data provided by the nonpartisan Center for Responsive Politics Center, John McCain and his leadership committee have accepted at least \$1,069,854 from the oil and gas industry since 1989. Despite his mediagenic but inconstant opposition to drilling in the Arctic National Wildlife Refuge, McCain's voting record on energy policy has been consistently friendly to Big Oil — and since his campaign for president began last year, he's been steadfast:

McCAIN'S RECORD OF CODDLING BIG OIL.

- McCain Voted Against Reducing Dependence on Foreign Oil. In 2005, McCain voted against legislation calling on the President to submit a plan to reduce foreign petroleum imports by 40 percent. [Senate Roll Call Vote #140, 6/16/05; DNC 6/22/07]
- Candidate McCain's "Zero" For Energy Future, Billions For Big Oil. Since launching his campaign for president in 2007, Sen. McCain has skipped out on every key environmental vote the Senate has considered, earning him a zero on the League of Conservation Voters scorecard this session. In one such instance, his absence killed the rollback of billions of dollars in oil subsidies for renewable energy investment. [LCV 2008]
- McCain's Absence Allows GOP to Filibuster Oil-For-Renewables. By a roll call vote of 59-40 on December 13, 2007, Senate Democrats failed to muster the 60 votes needed to prevent a filibuster threatened by Republicans of compromise energy legislation with an oil-for-renewable tax package. The tax package rolled back \$12.7 billion in tax breaks on the oil and gas industry to invest in renewable energy tax credits. Sen. John McCain, on the campaign trail, was the one senator not voting. [CQ 12/12/07] [Vote #425 12/13/07]
- -McCain's Tax Policies A Boon For Big Oil. Sen. McCain's plan to cut the corporate tax rate to 25 percent is worth \$1.2 billion a year to Exxon Mobil alone. In addition, his plan includes a massive new corporate tax shelter. His call for a gas tax suspension would funnel money about \$11 billion to oil refiners and producers. [CAPAF 3/27/08, 4/18/08]

THE McCAIN TAX CUT FOR THE FIVE LARGEST AMERICAN OIL COMPANIES		
CORPORATION	U.S. TAXES IN 2007	SAVINGS UNDER THE McCAIN PLAN
Exxon/Mobil	\$4.3 billion	\$1.2 billion
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Marathon	\$1.3 billion	\$370 million
TOTAL	\$13.4 billion	\$3.8 billion

BIG OIL LOBBYISTS RUN McCAIN CAMPAIGN

At least <u>fourteen Big Oil lobbyists</u> hold top positions in the McCain campaign, including his top adviser, Charlie Black.





- McCain's Senior Adviser Lobbies For Foreign Oil Interests. Charlie Black (lobbying firm:
 BKSH), McCain's senior campaign adviser, is a registered lobbyist for two Russian oil companies —
 Yukos Oil and Occidental International Corporation and his lobbying firm was hired in 2005 by the China National Off-Shore Oil Corporation. [Roll Call 7/18/05, Senate Lobbying Disclosure Records]
- McCain's Campaign Liaison to Congress a Million-Dollar Big-Oil Lobbyist. John Green (Ogilvy Government Relations) the "full-time liaison between McCain's presidential campaign and Republicans in the House and the Senate" has made over \$7.6 million dollars since 1999 lobbying for petro-industry giants such as Amerada-Hess, Chevron Texaco, the American Petroleum Institute, Reliant Energy, PJM Interconnection and First Energy. [Politico 3/4/08, Senate Lobbying Disclosure Records]
- Fossil Fuel Lobbyists Everywhere in the McCain Campaign. Frank Donatelli, McCain's RNC liaison to the Republican Party, has lobbied for ExxonMobil, Dominion, and Eastman Chemical. Jerry Kilgore, co-chairman of McCain's Virginia campaign, has lobbied for Shell Oil and coal company Alpha Natural Resources. Nancy Pfotenhauer, a policy adviser and spokeswoman, has lobbied for Koch Industries. [Washington Post 3/12/08, O'Dwyer's 8/9/06, Media Matters 2/26/08, Senate Lobbying Disclosure Records]

UPDATE: At <u>Climate Progress</u>, Joe Romm suggests questions for reporters to ask McCain. Confused, <u>Marc Ambinder</u> writes, "I am NOT an expert here; maybe I'm missing something, so feel free to read me in, as they say. But hasn't McCain already endorsed mandatory emissions caps?"

At <u>Liberal Oasis</u> Bill Scher explains: "He wants to tell moderates that he has a serious plan for our government to act against global warming. And he wants to tell conservatives that no government action will be involved. It can't be done."

According to the Politico's Jonathan Martin:

The McCain campaign called to clarify his remarks. "John McCain was correctly reflecting his position, he just inadvertently said the word 'cap' instead of 'target," said spokesman Tucker Bounds.

Today's comment was a response to a question about mandatory "targets" for renewable energy — McCain believes that a cap-and-trade system provides enough market incentive for investment in renewables. If that's the case (and many environmentalists would disagree), then mandatory targets wouldn't be necessary.

[http://thinkprogress.org/wonkroom/2008/06/16/mccain-texas-sellout/]





Can McCain Find A Single Economist To Back His Claim That Offshore Drilling Will Lower Gas Prices?

Our guest blogger is <u>Adam Jentleson</u>, the Communications and Outreach Director for the Hyde Park Project at the Center for American Progress Action Fund.

The government's official source for energy statistics says that offshore drilling will not have a "significant impact" on gas prices until 2030.

McCain's <u>own campaign</u> admits that offshore drilling will have no short term effect on gas prices:

"Douglas Holtz-Eakin, a senior advisor to McCain's campaign, acknowledged in a conference call to reporters that new offshore drilling would have no immediate effect on supplies or prices."

Yet McCain insists on touting offshore drilling as the best way to "assure affordable fuel for America," as he said in <u>his speech</u> on Tuesday.

This begs the question: can John McCain find a single economist who backs his claim that offshore drilling will lower gas prices in the short term – or even before 2030?

If not, what is the basis for his claim that offshore drilling will lower gas prices?

This is not the first time McCain has had trouble finding economists who would endorse his proposals for lowering gas prices – in fact, just a few weeks ago, McCain failed to find a single economist who would endorse his claim that a temporary suspension of the gas tax would provide significant relief for American families.

The policy was so thoroughly discredited that the only argument McCain and his team could muster was to simply bash economists as a group.

At a campaign stop in New Hampshire, a frustrated McCain told the audience, "If you want to call it [his gas tax proposal] a gimmick, fine. You know the economists? They're the same ones that didn't predict this housing crisis we're in."

On "This Week" with George Stephanopoulos, Senior Advisor Carly Fiorina, "scoffed at the lack of support from economic analysts. 'I don't think it matters,' she said."





Even Senior Advisor Douglas Holtz-Eakin – a Ph.D. economist himself – got in on the act, <u>saying</u>, "You can stack all the economists end to end and still not find common sense."

Is this déjà vu all over again? Can McCain find a single economist to back his claim that offshore drilling will lower gas prices, or will his campaign be left with no recourse but to roll out poor Douglas Holtz-Eakin to trash his own profession, yet again?

UPDATE: The Huffington Post takes up the challenge and reports, "the consensus seemed to be that if the presumptive GOP nominee was persuading voters that he could help decrease their gas bill, he was either living in <u>a political fantasy or being disingenuous."</u>

[http://thinkprogress.org/wonkroom/2008/06/20/offshore-drilling-question/]





Lifting Offshore Moratorium Is Boon To Big Oil And No One Else

Brad Johnson

Today's speech by President Bush calling for America to <u>drill its way</u> out of its energy crisis is, in the words of Sen. Harry Reid (D-NV), replete with the "<u>failed policies of yesterday</u>" designed to "pad the pockets of Big Oil."

There are two central facts about fossil fuel use President Bush carefully avoided when he called on Congress to increase the supply of oil accessible to his industry cohorts:

- The United States has only 2% of the world's proven oil reserves, but consumes 24% of the world's oil production. There's simply no way for us to drill our way to energy independence or eliminate what Bush calls our "addiction" to oil. [EIA 1/29/07, 6/9/08]
- The energy future Big Oil and Bush desire involves burning up the planet. The American Petroleum Institute is promoting an increase in oil demand of 45% by 2030, which would lead to global warming 8.9 to 11°F above pre-industrial levels guaranteeing global catastrophe. Bush's "rational, balanced" approach to global warming is in line with this scenario. [CAPAF 4/16/08, 4/25/08]

Bush's justification for ending the federal moratorium on Outer Continental Shelf drilling that was signed into law by <u>President Reagan</u> and extended by <u>President George H.W.</u>
<u>Bush</u> after the <u>Exxon Valdez</u> relies on misleading and false statements. In the Rose Garden today, <u>Bush 43 said</u>:

So my administration has repeatedly called on Congress to expand domestic oil production. Unfortunately, Democrats on Capitol Hill have rejected virtually every proposal — and **now Americans are paying the price at the pump for this obstruction**.

Congress — which was under Republican control for most of the Bush presidency — is not blocking drilling. The number of off- and on-shore drilling permits has exploded in recent years, going from 3,802 five years ago to 7,561 in 2007. Between 1999 and 2007, the number of drilling permits issued for development of public lands increased by more than 361%.

In fact, Congress and this administration have already <u>opened the floodgates</u> for more oil and gas drilling in the years to come. Since 2002, the number of permits issued has





greatly outstripped the number of new wells drilled. In the last four years, the Bureau of Land Management has issued 28,776 permits to drill on public land; yet, in that same time, 18,954 wells were actually drilled. That means that companies have stockpiled nearly 10,000 extra permits to drill that they are not using to increase domestic production.

Furthermore, <u>less than a quarter</u> of offshore acreage open to drilling is being used. Only 10.5 million of the 44 million leased acres are currently producing oil or gas.

The <u>vast majority of federal oil and gas resources offshore are already available</u> for development. According to the Minerals Management Service, of all the oil (85.9 billion barrels) and gas (419.9 trillion cubic feet) believed to exist on the Outer Continental Shelf, 82% of the natural gas and 79% of the oil is located in areas that are currently open for leasing (such as areas in the Gulf of Mexico and off the Alaska coast).

This has <u>nothing to do with lowering fuel costs</u> for Americans in the short, medium, or long term. The auto industry, for example, can change its production mix to more efficient cars within six weeks, and can roll out new production models in three years. But it takes ten years for newly leased oil fields to start producing oil, and around twenty years to reach peak production.

Lifting the offshore drilling moratorium is worth (maybe) 4 cents a gallon — in 10 to 20 years. This uses generous estimates, assuming that all the recoverable oil is drilled and reaches peak production by 2025, and that the impact on the price of a barrel of oil is at the high end of estimates (\$1.50 per barrel or \$.0375 per gallon of gas). If the oil is extracted at its maximum rate, it would all be gone in five years.

In fact, it is conservative and industry obstruction that is making Americans pay at the pump — from the <u>repeated filibusters of renewable energy</u> and energy efficiency incentives to <u>years of obstructing</u> improved fuel economy standards.

UPDATE: At <u>Climate Progress</u>, Joe Romm notes that the 2007 Annual Energy Outlook from the U.S. Energy Information Administration found:

The projections in the OCS access case indicate that access to the Pacific, Atlantic, and eastern Gulf regions would not have a significant impact on domestic crude oil and natural gas production or prices before 2030.

And in 2030, "any impact on average wellhead prices is expected to be insignificant."

[http://thinkprogress.org/wonkroom/2008/06/18/bush-offshore-oil/]





McCain Gas Tax Holiday Worth Only 60 Cents a Day

Our guest blogger is Sam Davis, Policy Analyst at the Center for American Progress Action Fund.

Sen. John McCain (R-AZ) has a <u>prescription</u> for the country's gas woes, proposing to put the 18.4 cent federal gas tax on a three-month hiatus between Memorial Day and Labor Day. Indeed, we've heard this idea once <u>before</u> and economists continue to be <u>weary</u> of its intended net effect. What's different this time however, is the spin and the reality.

Spin: Outlining his proposal, Senator McCain <u>said last Tuesday</u>, "The effect will take a few dollars off the price of a tank of gas every time a family, a farmer, or trucker stops to fill up."

Reality: Most of the tax break will go to corporations, not families. Oil companies and their executives are already doing better than ever. Two years ago, Lee Raymond, former CEO of Exxon was given a severance package worth upwards of \$400 million after leading the company to its highest ever recorded profit in 2006 of \$36 billion. The previous year, his salary and bonus was a combined: \$69.7 million or \$190,915 a day. After just his first year on the job, current Exxon CEO, Rex Tillerson oversaw another record profit year for the company of \$40 billion, earning him \$21.7 million or \$59,452 a day.

Even if all of the benefits from the tax breaks go to families, however, it will make little difference for them. The median American family's daily savings during the three-month tax holiday proposed by Senator McCain? 60¢.

HOUSEHOLD INCOME	ANNUAL MILES DRIVEN	SAVINGS FROM 3 MONTH TAX HOLIDAY
< \$5,000	13,500	\$28.52
\$5,000 to \$9,999	13,400	\$29.76
\$10,000 to \$14,999	13,200	\$29.62
\$15,000 to \$19,999	16,200	\$36.25
\$20,000 to \$24,999	16,600	\$36.52
\$25,000 to \$34,999	19,300	\$43.24
\$35,000 to \$49,999	23,800	\$54.42
\$50,000 to \$74,999	28,300	\$64.08
\$75,000 <	31,900	\$71.25

Source: Energy Information Administration, Household Energy Use: Latest Data & Trends, September 2005, table A-2; and Center for American Progress independent analysis.





Spin: McCain <u>told CNBC</u> this past Tuesday, "I think high gas taxes are a regressive tax. The people who drive the furthest are the lowest income Americans. It is incredibly regressive. Where's the fairness there?"

Reality: Not only do families who make less, drive less, they do not consume more gasoline nor do they spend more on gasoline. An analysis of the latest available data reveals that in fact, Senator McCain's "gas-tax holiday" idea is itself regressive. The more a family earns, the more they drive, and the more a higher-earning household would save under Senator McCain's plan.

Methodology: The Energy Information Administration, Household Energy Use: Latest Data & Trends, September 2005, table A-2, provides a breakdown of household income and their respective annual gallons of gasoline consumption and miles driven. Taking each respective annual gallon of consumption, we calculated the monthly consumption and multiplied each gallon by the current average price of regular gasoline (\$3.39). At which point, we subtracted the 18.4 cent tax from each gallon for the month and calculated the savings from the tax cut per month than multiplied that number by 3 for the number of months Senator McCain's tax holiday would be in effect.

[http://thinkprogress.org/wonkroom/2008/04/18/gas-tax-holiday/]





McCain's Gas-Tax Holiday From Reality Continues

Brad Johnson

Two weeks ago, Sen. John McCain (R-AZ) proposed a summer-long "gas tax holiday." Since then, he's been faced with the challenge that such a moratorium may sound good but would be terrible policy.

When it was pointed out that the federal gas tax funds <u>critical transportation infrastructure and jobs</u>, a spokesman said McCain would pay the \$11 billion tab from the "<u>general revenue</u>."

When it was pointed out that cutting the federal gas tax would minimally affect the price at the pump, McCain then said his proposal was just "a little psychological boost."

When it was pointed out today by MSNBC anchor Mika Brzezinski that the tax cut is an <u>expensive</u> and <u>environmentally unsound</u> policy that would <u>do nothing</u> to <u>help American drivers</u>, McCain finally erupted:

Mika, you know what? All it is is **it's not the end of Western civilization as we know it according to some, quote, economists** and some around America. It's just to give Americans a little relief.

He then exposed how out of touch he is with the realities of America by saying:

I think it's obvious that the lowest-income Americans drive the furthest and probably they spend more on gasoline because of the age of their automobiles.

In fact, <u>lowest-income Americans drive the least</u>, and most of the benefits of the gas-tax holiday would go to <u>high-income Americans</u>.

No amount of bluster can disguise that this proposal — just as it was when <u>Sen. Bob Dole proposed a similar gas tax holiday</u> as the Republican presidential nominee in 1996 — is a <u>violation of the</u> responsible economic principles Sen. McCain has formerly espoused.

UPDATE [5:30 PM]: Michael Bloomberg, the mayor of New York City, <u>tells the Observer</u> a gas tax holiday "would help Chavez, Qaddafi and other people like that." He also said:

It's the dumbest thing I've heard in an awful long time from an economic point of view. I don't understand why you think there's any merit to it whatsoever. We're trying to discourage people from driving and we're trying to end our energy dependence. We don't do that — oh, and incidentally, we're trying to have more money to build infrastructure. All three of those things go fly in the face of giving everybody \$30 a year. The \$30 bucks is not going to change anybody's lifestyle. The billions of dollars that we would otherwise have in tax revenues can make a big difference as to what kind of a world we leave our children.

[http://thinkprogress.org/wonkroom/2008/05/01/mccain-gas-tax-bluster/]





Three Questions for Sen. McCain on Global Warming

By Dan Weiss

1. Will McCain Modernize His Plan Based on the Latest Science?

Since John McCain (R-AZ) co-wrote a global warming bill in 2003, evidence has mounted that the most serious effects of global warming are already well upon us. Scientists now advocate steeper, swifter reductions in greenhouse gases than they did five years ago. Will McCain's upcoming global warming speech demonstrate he understands the immediate consequences of not acting quickly to reduce greenhouse gases? Or will he cling to his now outdated positions? Here are four key criteria for evaluating whether his plan is serious.

McCain's proposal must reflect the latest scientific urgency about deep mid- and long-term reductions in greenhouse gas emissions. The concentration of greenhouse gases in the atmosphere has already risen from the pre-industrial level of 280 parts per million to 385 ppm. Scientists believe that we must stabilize gases at about 450 ppm to prevent a 2 degree Celsius increase in worldwide temperatures and stave off the most severe consequences of global warming. To prevent this catastrophe, the United States must reduce annual greenhouse gas emissions from its current level of 7.1 billion metric tons by:

- 20 percent below 1990 levels by 2020 (to 5.7 billion metric tons)
- 80 percent below 1990 levels by 2050 (to 1.2 billion metric tons)

McCain must require polluters to purchase their pollution allowances, not let them receive the permits for free. Sen. McCain's proposal relies on a greenhouse gas "cap-and-trade" system that require emitters to buy or have a permit for every ton of greenhouse gases they emit, as do most other legislative proposals that are serious about combating global warming. Under these proposals, the number of available allowances declines over time, so their value will increase. The auction of these emissions allowances to emitters would generate tremendous revenue—as much as \$300 billion a year. These resources could be used for rebates to compensate low- and middle-income households for higher energy costs, and for investments in renewable and efficient energy. Many polluting companies, however, want the permits for free rather than having to buy them in an auction. Giving away permits would give companies a huge windfall because they are likely to raise prices anyway, as did European corporations under the European Union cap-and-trade system. In contrast, the Regional Greenhouse Gas Initiative by a number of northeastern states will require that emitters buy their allowances. Auctioning all the permits in a nationwide program will provide enough revenue to offset higher energy costs for struggling families and our nation's quest for clean energy and energy independence.

McCain's plan must reduce the pain of higher energy costs on low- and middle-income Americans. Because most of the cost of pollution permits will be passed along to consumers, rebates are needed to shield low- and middle-income Americans from higher energy costs.





McCain must require that the United States act now, not wait for action by China, India, and other developing nations. As one of the wealthiest nations in the world, and the country responsible for more greenhouse emissions already in the atmosphere than any other country—27 percent of the total—the United States has to lead on climate change. Once we adopt binding reductions in greenhouse gases, then we will have the standing to get developing nations to pursue their own reductions. President Bush and many other conservative opponents of global warming solutions insist the United States should not adopt binding reductions unless developing nations do so as well.

Since 2003, climate science has demonstrated the urgency of such action, and the political environment has shifted substantially in the same direction. McCain's former partner on his 2003 legislation, Sen. Joseph Lieberman (I-CT), has joined with Sen. John Warner (R-VA), Sen. Barbara Boxer (D-CA), and three other Republicans to push a more aggressive bill. But McCain said he is looking for more subsidies for nuclear power before supporting this bipartisan bill. Comparing McCain's plan with the Lieberman/Warner legislation shows that McCain is lagging behind other Republicans in leadership on global warming.

2. Will McCain Support energy efficiency and Renewable Policies to Reduce the Cost of Global Warming Pollution Cuts?

A cap-and-trade system alone is inadequate to address global warming. Other complementary policies can help meet emissions targets more quickly and at a lower cost, such as investments in energy efficiency and renewable energy alongside necessary compliance standards. This is true for several reasons:

Although a cap-and-trade system will put a price on carbon, the initial price could be relatively low, particularly if the allowances are given away. Moreover, incentives for research, innovation, and infrastructure investment could be undermined by volatile prices.

Some innovations, such as plug-in hybrids, may require incentives for consumers to purchase them when they first enter the market. There are constructive roles for the government to play in speeding basic research, and in encouraging investments in deployment so that innovators can carry their new, energy-efficient products across the so-called "valley of death" between invention and successful commercialization.

There may be collective problems impeding the adoption of clean energy measures, such as the structure of the electricity markets, which rewards utilities for selling more electricity, as well as disincentives for renters to make their facilities more energy-efficient.

There are a number of complementary policies that would lower the cost and speed the reductions in greenhouse gases. Sen. McCain could:

• Endorse higher fuel economy incentives and requirements for automobiles beyond the 35 miles-per-gallon by 2020 fleetwide average that became law in 2007.





- Shift tax incentives from oil-and-gas exploration toward energy efficiency and renewable energy.
- Establishment of a national "renewable electricity standard" to complement the existing efforts of 26 states. The national standard would require utilities to produce 15 percent or more of their electricity from renewable sources by 2020.

3. Will McCain Make a Costly, Risky Bet on Nuclear Power?

McCain's energy plan relies heavily on new nuclear power plants to provide electricity. He says he will support the Lieberman-Warner Climate Security act only "if we have a dramatically increased role for nuclear power." He insists that "nuclear power has got to be a very big part of any effective action to reduce greenhouse gas emissions." His global warming bill, S. 280, includes at least \$3.7 billion in new subsidies for nuclear power, including federal funds for design and engineering, licensing, and loan guarantees. This approach, however, would require billions of dollars of subsidies, millions of gallons of water, and an unprecedented nuclear plant construction boom—alongside 10 new Yucca Mountains to dispose of the high-level nuclear waste.

Here's what's wrong with McCain's nuclear-power ambitions:

Making a Dent in Global Warming Would Require a Huge Number of Nuclear Plants.

Doubling worldwide production of nuclear power would provide only one-seventh of the needed greenhouse gas emission reductions. According to the Keystone Institute, using nuclear power to stave off global warming "would require adding on average 14 plants each year for the next 50 years, all the while building an average of 7.4 plants to replace those that will be retired," and "10 [nuclear waste] dumps the size of Yucca Mountain."

Huge Subsidies Would Be Needed, and Then Still More Subsidies. Nuclear power received huge subsidies over the past 60 years, a pattern sure to be continued if McCain's proposal is adopted. The Congressional Research Service found that nuclear power received \$74 billion in federal government support from 1948 to 2003, calculated in constant dollars as of 2003, more than half of all federal energy R&D money. Although nuclear power plants are now a mature technology, Congress continues to subsidize them because Wall Street investors are otherwise unwilling to invest in such risky, expensive endeavors. In 2005, Congress enacted \$13 billion in additional federal support, including nearly \$6 billion to operate plants.

Nuclear Plants Take Too Long to Build. It takes 10-to-15 years to plan, design, license, and build a nuclear power plant. Energy efficiency, for instance, can reduce energy demand much more quickly than the construction of nuclear plant. And it takes only 18 months to two years to build a wind farm.

Nuclear Plants Would Worsen Water Shortages. Nuclear power requires more water for cooling than any other source of electricity, consuming up to 720 gallons per megawatt hours, compared to coal-fired power plants, which consume up to 480 gallons/mWh. These vast quantities of water may be hard to find if global warming leads to more and longer droughts. AP reported that "During Europe's brutal 2006 heat wave, French, Spanish and German utilities were





forced to shut down some of their nuclear plants and reduce power at others because of low water levels." During the record drought in the U.S. southeast last year, 24 nuclear power plants ran the risk of shutdown due to water shortages.

Conclusion

It is clear that the McCain-Lieberman legislation of 2003 is an inadequate response to global warming. The bipartisan coalition in the Senate has moved ahead without Sen. McCain, and even Sen. McCain's advisors have said that his plans need revision. Yet it's not yet clear whether his revised plans will go far enough. That's why the American people need to know:

- Whether McCain's cap-and-trade proposal would achieve the necessary greenhouse gas reductions, help families rather than providing windfall profits to polluting companies, and exercise American leadership on global warming rather than using other countries as an excuse for inaction.
- Whether McCain will make the investments in renewable energy and energy efficiency that can help reduce greenhouse gas emissions faster and at a lower cost.
- Whether McCain will primarily rely on nuclear power, requiring billions of dollars more in subsidies for the costly, thirsty, waste-producing nuclear industry.

[http://www.americanprogressaction.org/issues/2008/mccain_gw_questions.html]





McCain's Corporate Tax Cut Would Save Energy & Utility Companies Over \$2.8 Billion

Ben Furnas

A global warming plan that weans America off <u>dirty energy</u> requires taking a stand against the huge utility & energy companies. But John McCain's tax plan seems slightly more interested in lining their pockets.

An analysis from the Center for American Progress Action Fund finds that John McCain's <u>massive corporate tax cut</u> would save America's ten largest electrical utility companies and ten largest energy companies over \$2.8 billion. (This is in addition to the \$4 billion tax break for America's five largest oil companies.)

	2007 U.S. TAXES	SAVINGS UNDER THE McCAIN PLAN	2007 WORLDWIDE PROFITS
Utility Companies			
Exelon	\$2.7 billion	\$780 million	\$2.7 billion
Dominion Resources	\$1.6 billion	\$450 million	\$2.5 billion
Southern	\$730 million	\$210 million	\$1.7 billion
FPL Group	\$310 million	\$87 million	\$2.5 billion
AES	\$7 million	\$2 million	-\$95 million
Consolidated Edison	\$360 million	\$102 million	\$930 million
Public Service Enterprise Group	\$840 million	\$241 million	\$1.3 billion
PG&E Corp	\$450 million	\$130 million	\$1 billion
Duke Energy	\$690 million	\$200 million	\$1.5 billion
Edison International	\$160 million	\$45 million	\$1.1 billion
Subtotal for Utility Companies	\$7.9 billion	\$2.2 billion	\$15 billion
Energy Companies			
Constellation Energy	\$350 million	\$100 million	\$820 million
Oneok	\$160 million	\$45 million	\$300 million
American Electric Power	\$500 million	\$140 million	\$1 billion
Williams	\$470 million	\$130 million	\$990 million
Reliant Energy	\$120 million	\$35 million	\$490 million
Integrys Energy Group	\$70 million	\$20 million	\$250 million
Energy Future Holdings	\$170 million	\$49 million	\$330 million
Calpine	-\$470 million	N/A	\$2.7 billion
Global Partners	\$360 thousand	\$100 thousand	\$2 million
NRG Energy	\$380 million	\$110 million	\$1 billion
Subtotal for Energy Companies	\$2.2 billion	\$640 million	\$8 billion
TOTAL	\$10 billion	\$2.8 billion	\$23 billion

Read the full analysis and see the chart here.

[http://thinkprogress.org/wonkroom/2008/05/13/mccain-utility-tax-cut/]





Energy Industry Campaign Cash Fuels Straight Talk Express

Our guest blogger is <u>Daniel J. Weiss</u>, a Senior Fellow and the Director of Climate Strategy at the Center for American Progress Action Fund.

Republican Presidential nominee apparent John McCain brags about his leadership on climate change. He even taunted Barack Obama and Hillary Clinton when he said:

I don't know what their position is because I haven't seen them show **any particular commitment in the U.S. Senate or elsewhere** [on climate change]. I have proposed legislation and fought for amendments.

With all of his <u>bragging about global warming</u>, you would think Sen. McCain would be at the center of this week's Senate's debate over the <u>Climate Security Act</u>, sponsored by Barbara Boxer (D-CA) <u>Joe Lieberman</u> (I-CT), and <u>John Warner</u> (R-VA). Unfortunately, he doesn't plan to participate in the debate, and <u>opposes the bill</u> because it lacks big bucks to build nuclear power plants.

How come the Straight Talk Express can't find the U.S. Senate for this critical debate?

TOP CAMPAIGN RECIPIENTS FROM OIL, COAL, ELECTRIC UTILITY, AUTO, CHEMICAL AND NUCLEAR INDUSTRIES			
Rank	Senator	Total	
1	Hutchison, Kay Bailey (R-TX)	\$2,877,075	
2	McCain, John (R-AZ)	\$2,035,739	
3	Cornyn, John (R-TX)	\$1,976,563	
4	Voinovich, George V (R-OH)	\$1,948,604	
5	McConnell, Mitch (R-KY)	\$1,881,740	

1990 to 2008 cycle (June), Center for Responsive Politics, compiled by Center for American Progress Action Fund.

Is it because Sen. McCain has received more money from the special interests that oppose this bill than all but one other member of the Senate? He has received over \$2 million from oil, coal, utility, auto, chemical and nuclear companies from the 1990 cycle to the first quarter of 2008. In fact, of this total, McCain received nearly two-thirds of it — \$1.2 million — since he began his presidential quest 18 months ago. And like Senator McCain, these interests and the trade associations they fund oppose the Climate Security Act.





OIL & GAS INDUSTRY CONTRIBUTIONS TO JOHN MCCAIN		
Year	Amount	Season
2008	\$485,526	Presidential Campaign
2006	\$2,600	
2004	\$7,050	Re-election Campaign
2002	0	
2000	\$94,847	Presidential Campaign
1998	\$71,425	Re-election Campaign
1996	\$2,100	
1994	0	
1992	\$77,755	Re-election Campaign
1990	\$2,250	
Total	\$743,553	

1990 to 2008 cycle (June), Center for Responsive Politics, compiled by Center for American Progress Action Fund.

*See update below for revised 2008 figure.

Since McCain began running for president in 2007, he missed all the important clean energy votes. He did make sure to wink at big oil by announcing he would have <u>supported</u> its existing unjustified tax breaks had he been around. The bipartisan effort to close these loopholes failed by <u>one vote</u>. And after he missed the opportunity to become the deciding vote to extend tax incentives for <u>efficiency and wind and solar power</u> by adding it to the stimulus package, he gave a nod to big coal and huge utility conglomerates by announcing he would have <u>opposed this</u> <u>measure</u> too.

Sen. McCain plans to use his support for reductions in global warming pollution as a central element in his effort to <u>distinguish himself</u> from President Bush. On June 3rd, he proclaimed, "The next President must be willing to <u>break completely with the energy policies</u> not just of the Bush Administration, but the administrations that preceded his." But Sen. McCain is a leader in campaign donations from the same interests who helped <u>Bush write his energy plan</u> that brought us \$4 gallon gasoline. And like the Bush administration, he also opposes the Climate Security Act.

Frequently, Sen. McCain has <u>lectured his colleagues</u> about the corrupting nature of campaign contributions and lobbyists. He preached that "Our government must be free from corrupting influences, both real and perceived." A large part of his reputation as a "maverick" rests on this issue. Yet his campaign <u>is run by lobbyists</u>. And he has received more campaign cash from big energy companies than 98 other senators, and then joins their opposition to the Climate Security Act. Sen. McCain appears to be nothing more than another senator influenced by special interests — a prime example of the Washington influence system that he bemoans.

Read the full report — PACing Away the Climate Security Act?

[http://thinkprogress.org/wonkroom/2008/06/04/polluter-mccain-cash/]





McCain Is Close To Bush, Not Democrats, On Global Warming

Brad Johnson

Newsweek's <u>cover story on the presidential candidates and global warming</u> quotes UC Berkeley energy professor Dan Kammen, a supporter of Sen. Barack Obama (D-IL)'s presidential campaign:

It's unusual to have a Republican candidate who openly disagrees with the Bush administration on the need for capping carbon emissions. There's more disagreement with the current administration than with each other.

The idea that Sen. John McCain (R-AZ) is closer to the Democratic candidates running for president than he is to the president is popular with the political elite. Joe Klein similarly said "McCain's distance from George W. Bush seems greater than from the Democrats" on foreign policy issues like global warming. What McCain says he wants to do about global warming certainly sounds better than what the Bush administration has accomplished.

A look at the facts paints a different picture.

- <u>Like Bush, McCain's global warming talk is good</u> both speaking in generalities about needing to be "good stewards" and get "serious" about climate change.
- <u>Like Bush, Candidate McCain is drenched in ties to Big Oil</u> McCain's campaign is run by lobbyists for Saudi Arabia and energy companies, and McCain has repeatedly blocked attempts to roll back subsidies for Big Oil.
- <u>Like Bush, McCain uses China and India as an excuse for inaction</u> When asked about global warming policy, both <u>Sen. McCain</u> and <u>Bush</u> say that India and China have to participate in a global agreement ignoring the fact that unlike the United States, both countries are signatories to the Kyoto Protocol. Moreover, the rest of the industrialized world is not making excuses <u>they've set to work.</u>

McCain shares much with Bush. McCain's one significant difference, played up by his supporters, is his call for a cap-and-trade system to reduce emissions. But McCain's vision of how such a system would work — despite the words of Kammen and Klein — is starkly different from that of the Democratic candidates. There are three core guidelines by which global warming policy should be judged:

- 1. Does it meet scientific principles?
- 2. Does it make polluters pay?
- 3. Does it promote social equity?

Sen. Clinton has released a <u>detailed global warming plan</u>, as has <u>Sen. Obama</u>. Both follow the above guidelines, calling for 80% reduction in emissions by 2050, supporting 100% auction of





pollution allowances, and prioritizing investment in green jobs and helping low-income households.

On the other hand, McCain has failed to release any clear global warming policy, and his economic and health care plans are designed for the benefit of millionaires and giant corporations at the expense of everyone else. However, McCain's people have made it clear he does have one bedrock principle when it comes to global warming policy — "He wants to see the use of nukes."

UPDATE: Dan Kammen <u>responds</u>:

Brad Johnson raises an important, in fact central, issue about energy, climate and politics: namely that good rhetoric is simply insufficient, we are well past the point where we personally, and our elected officials must 'walk the walk'.

In California, for example, we have climate policies on the books that call for a $\sim 25\%$ decrease in greenhouse gas emissions by 2020 (AB32), and 80% reductions by 2050 (Executive Order 3-05). These are great words, and the politicians who penned them are truly to be commended, but we must make good on these targets.

The first step for action is having a plan, and in this respect I give California, the northeast/mid-Atlantic climate coalition, and the exciting, emerging, plan for the upper-Midwest.

This is where I have to disagree with Brad.

There is no doubt that McCain's 'green credentials' can be questioned. Nevertheless, he has shown a willingness to talk about and even work on significant (even if insufficient) legislation. As a result, I can't disagree more with the comment:

* Like Bush, McCain's global warming talk is good — both speaking in generalities about needing to be "good stewards" and get "serious" about climate change.

There has been absolutely no useful language from President Bush on this topic. His international 'forum' on climate is even termed, within the administration, the 'dirty dozen' (well, dirty 11, with Australia defecting).

So, no question, Brad is right that McCain has both been vague and has not gone as far as is needed. He is, however, part of a conversation that is far more enlightened that we have seen in federal office in recent times. That is a start.

Dan Kammen Professor, Energy and Resources Group, University of California, Berkeley

[http://thinkprogress.org/wonkroom/2008/04/07/newsweek-story-mccain/]





CHAPTER 4: NATIONAL SECURITY



THE WINNING ARGUMENT: John McCain and National Security

I. John McCain will be George Bush's third term on Iraq.

• <u>John McCain said staying in Iraq for 100 years "would be fine with me"</u> and supports maintaining a permanent U.S. troop presence in Iraq. He has tried to defend this comment as referring to 100 years of peace – like Germany or South Korea – but has not said how long he would leave American troops in the middle of a hostile conflict.

II. McCain adheres to the same extreme Neoconservative ideology as Bush.

- John McCain was a Neocon before George Bush was a Neocon. John McCain's circle of foreign policy advisors is made up of the same people who pushed for the war in Iraq.
 - McCain's chief foreign policy advisor, Randy Scheunemann, was the
 <u>Director</u> of the Committee for the Liberation of Iraq, a Neocon front group
 that lobbied the Bush administration to go to war with Iraq even before
 9/11. McCain's senior strategist, Charlie Black, also lobbied on behalf of
 Ahmed Chalabi.
- McCain doesn't understand diplomacy and would continue to alienate our allies. He called our closest allies "vacuous and posturing," and referred to France and Germany as adversaries. Instead of being strategic about our relationship with Russia, McCain blustered that he would kick them out of the G8.
- McCain ignores critical details about the Middle East, including the differences between Sunnis and Shiites, glossing over important distinctions between different groups and movements and instead lumping them together into a united "Islamofascist" front.
- On Iran, McCain would ignore the diplomatic approach that led to progress with North Korea and pursue Bush's hard-line, <u>militaristic</u> approach that has done nothing but strengthen Iran's hand in the region.

III. McCain was one of the biggest cheerleaders of the Iraq war.

- McCain was right when he said, "no one has supported President Bush on Iraq more than I have."
- McCain was one of the staunchest defenders of the Administration's war strategy:





- McCain misjudged the post-war situation. On "Meet the Press" in 2002, McCain said, "I believe that it [the war] will not be nearly as difficult as some allege." On "Meet the Press," he said "I believe that this conflict is still going to be relatively short." In 2003, McCain assured Katie Couric that "the Iraqi people will greet us as liberators." In a 2003 New York Times op-ed, McCain wrote that the Iraq War would "significantly improve the stability of the region." On "Hardball" in 2003, McCain incorrectly stated, "There's not a history of clashes that are violent between Sunnis and Shiahs. So I think they can probably get along." In April 2003, he claimed that "the end is very much in sight," and that all that stood in the way would be "a short period of chaos." "cvi
- McCain repeatedly defended the Bush administration's Iraq strategy, including troop levels. In 2003, McCain said he had "no qualms about our strategic plans." Shortly after the invasion, he said the Bush administration's plan was "an appropriate strategy." Years later, he specifically defended the original troop levels sent to Iraq, telling Tim Russert in 2005, "I think we have in numbers [sic] probably enough." In a 2004 interview on ABC News' "This Week," McCain said, "I'm confident we're on the right course."
- McCain repeatedly defended Defense Secretary Donald Rumsfeld. In the wake of the Abu Ghraib scandal in 2004, McCain said on "Hannity and Colmes," "Yes, today I do and I believe he's done a fine job," McCain responded. "He's an honorable man." Also in 2004, McCain told John Gibson that he was "an admirer of Secretary Rumsfeld," that he "didn't think he could be judged yet," and that "it's totally premature to call for any change in his status." In 2006, McCain refused to join calls for Rumsfeld's resignation.
- O McCain greatly misjudged the cost of the war. Echoing former Undersecretary of Defense Paul Wolfowitz's infamous prediction that Iraq could "finance its own reconstruction," McCain said in 2003, "As far as the cost is concerned, Iraqis have vast oil reserves and they, I'm sure, would shoulder the cost of the transition." "cxii





John McCain's War Cabinet

Matthew Duss

"There's going to be other wars. I'm sorry to tell you, there's going to be other wars. We will never surrender, but there will be other wars."

- John McCain, <u>1/27/08</u> (<u>video</u>)

John McCain's foreign policy offers a future of numerous U.S. military interventions in the name of "promoting American values." He has assembled a team of foreign policy advisers who believe strongly, as he does, that American security requires the robust and relentless exercise of American military power. Here's a look at those key advisers:

RANDY SCHEUNEMANN

Director of Foreign Policy and National Security

BACKGROUND: Former Congressional aide to Trent Lott and Bob Dole. Co-founder, president and executive director of the <u>Committee For the Liberation of Iraq</u>. Drafter of the <u>1998 Iraq Liberation Act</u>. Project director at the <u>Project for a New American Century</u> (PNAC). In 1998, founded a firm which lobbied on behalf of the NRA, and later <u>the governments of Georgia</u> and other <u>former Soviet Bloc states benefiting</u> from the invasion of Iraq. Claims to have authored McCain's concept of "<u>rogue state rollback</u>." Known as "<u>McCain's bulldog</u>" for his attacks on McCain's detractors.

QUOTES:

"[John McCain] does not believe in timetables or deadlines, secret or otherwise." [New York Observer, 4/11/07]

MAX BOOT

Foreign Policy Adviser

BACKGROUND: A former Wall Street Journal editor and current <u>senior fellow for national security studies</u> at the Council on Foreign Relations, Boot advocates an imperial role for the United States similar to the British Empire. Believes that the United States needs a "<u>colonial office</u>" inspired by the British system in India in order to better fulfill its role of transforming the world. Advocate of a sort of foreign legion wherein immigrants and other non-citizens would receive citizenship <u>in exchange for U.S. military service</u>.

QUOTES:





"What can [Democrats] say when the situation in Iraq appears to be looking up?" [Los Angeles Times, 12/16/03]

"Iraq already has confounded many Western 'progressives' who doubted that the Arab world could ever make progress. The bus may be rickety and it may have lost some passengers, but — guess what? — it's on schedule toward its final destination: democracy." [Los Angeles Times, 3/4/04]

JAMES WOOLSEY

Energy and National Security Adviser

BACKGROUND: Former head of the CIA. Subscribes to the "World War IV" formulation (in which the Cold War was World War III) and believes that the United States has been "at war" with Islamists since 1979, when "they [Iranian revolutionaries] seized our hostages in 1979 in Tehran." Suggested during an interview on September 12, 2001, that Iraq had sponsored the 9/11 attacks, and also attempted to exhume the discredited idea that Iraq was behind the 1993 World Trade Center bombing.

QUOTES:

"I would submit to you that genetically modified work is going on in Iraq right now. It's clear that we know that. And I think people who argue for delay, need to take responsibility for the consequences of the delay they're alleging." [ABC's Nightline, 3/4/03]

"I think we ought to execute some air strikes against Syria, against the instruments of power of that state, against the airport, which is the place where the weapons shuttle through from Iran to Hezbollah and Hamas. I think both Syria and Iran think that we're cowards." [Fox News' Big Story with John Gibson, 7/17/06]

BILL KRISTOL

Informal Foreign Policy Adviser

BACKGROUND: Prominent neo-conservative pundit. Founder and editor of the Weekly Standard. Co-founder and chairman of PNAC, current New York Times columnist. Advocates stronger American leadership through the unilateral use of force; co-author with Robert Kagan of essay "Toward a Neo-Reaganite Foreign Policy" which advocated "benevolent" American global hegemony based upon military dominance and "elevated patriotism." Co-author of a book strenuously arguing for the invasion of Iraq. Strong supporter of the surge. Advocates war with Iran. Known to be "exceptionally close with McCain."

QUOTES:





The [Iraq] war itself will clarify who was right and who was wrong about weapons of mass destruction. [...] History and reality are about to weigh in, and we are inclined simply to let them render their verdicts." [The Weekly Standard 3/17/03]

"There's been a certain amount of pop sociology in America ... that the Shia can't get along with the Sunni and the Shia in Iraq just want to establish some kind of Islamic fundamentalist regime. There's almost no evidence of that at all. Iraq's always been very secular." [NPR, $\frac{4}{103}$]

"We're not in a civil war [in Iraq]. This is just not true...." [Fox News, 7/15/07]

ROBERT KAGAN

Informal Foreign Policy Adviser

BACKGROUND: After serving as an adviser to Congressman Jack Kemp in 1983, and then working as a speechwriter for Secretary of State George Schultz, in 1985 Kagan was chosen by Elliot Abrams to head the Office of Public Diplomacy, whose mission was to <u>create support</u> for the Nicaraguan Contra rebels. Kagan was a co-founder of PNAC, and is currently a senior associate at <u>the Carnegie Endowment for International Peace</u>. Co-author with Bill Kristol of "<u>Toward a Neo-Reaganite Foreign Policy</u>" in which he advocated "benevolent" American global hegemony based upon military dominance and "elevated patriotism." Advocate of a "<u>concert of democracies</u>" to supplant the UN Security Council in order to grant legitimacy to U.S. military interventions around the globe. Recently <u>recognized the need to talk with Iran</u>, if only to establish a record to use against Tehran.

QUOTES:

"American power, even deployed under a double standard, may be the best means of advancing progress." [BBC Documentary, 2003]

MARK SALTER

Senior Adviser

BACKGROUND: McCain's former Chief of Staff, and co-writer of McCain's books. Salter worked for Jeanne Kirkpatrick when she was United Nations ambassador and later when she moved to the American Enterprise Institute. He joined McCain's staff in 1989, and is "widely regarded as the senator's alter ego." In 2006, responded to a college student's criticism of McCain by saying that it was "very unlikely" that any of the 2006 graduates of New York's New School University would "ever possess one small fraction of the character of John McCain."

JOHN BOLTON

Informal Foreign Policy Adviser





BACKGROUND: Former U.S. diplomat, <u>Senior Vice President for Public Policy Research</u> at the American Enterprise Institute, and member of the Project for the New American Century, Bolton was one of the signers of the January 1998 PNAC letter sent to President Bill Clinton urging him to remove Saddam Hussein from power. In 2005, Bolton was nominated by President Bush to be the U.S.'s representative to the UN, but his nomination met with strong Democratic opposition over Bolton's controversial anti-UN statements and policies. Bolton was eventually given a recess appointment to the UN. He served from 2005 to 2006, and resigned at the end of one term. At a conservative conference in 2008, Bolton described how "<u>McCain secretly tried to shepherd his nomination to the United Nations</u>." Bolton currently serves as a Senior Fellow at the American Enterprise Institute.

QUOTES:

"[John McCain] thought I was the type of ambassador that ought to represent the United States at the United Nations." [Huffington Post, 2/8/08],

"While treaties may well be politically or even morally binding, they are not legally obligatory." [Foreign Affairs, <u>Jan/Feb 1999</u>]

And many more

GARY SCHMITT

Foreign Policy Adviser

BACKGROUND: AEI Fellow and PNAC signatory. Co-author with <u>Abram Shulsky</u> (overseer of the Pentagon's Office of Special Plans) of a book on the political though of Leo Strauss as applied to intelligence gathering. Subscribes to the Straussian view that "<u>deception is the norm in political life</u>, and the hope, to say nothing of the expectation, of establishing a politics that can dispense with it is the exception." Advocated war against "the Saddam/bin Laden axis" as a way to "restore national honor."

OUOTES:

"In short, Iraq is both equipped with dangerous weapons and out to get the United States...The potential costs of leaving Saddam and his regime in place are simply too high." [The Weekly Standard, 10/29/01]

RALPH PETERS

Informal National Security Adviser

BACKGROUND: Retired U.S. Lieutenant Colonel, novelist and op-ed writer. Called Muqtada al-Sadr "<u>our mortal enemy</u>" in 2006, but now supports a surge which is built on accommodating Sadr and ratifying his militia's control of formerly Sunni neighborhoods. Suggested "<u>redrawing</u>





the Middle East map" in order to better serve American security interests, claiming that "without such major boundary revisions, we shall never see a more peaceful Middle East."

QUOTES:

"If we can't leave a democracy behind, we should at least leave the corpses of our enemies. The holier-than-thou response to this proposal is predictable: 'We can't kill our way out of this situation!' Well, boo-hoo. Friendly persuasion and billions of dollars haven't done the job. Give therapeutic violence a chance." [New York Post, 10/26/06]

"Iraq could have turned out differently. It didn't. And we must be honest about it. We owe that much to our troops. They don't face the mere forfeiture of a few congressional seats but the loss of their lives. Our military is now being employed for political purposes. It's unworthy of our nation." [USA Today, 11/2/06]

JOE LIEBERMAN

Supporter and Adviser

BACKGROUND: One of Congress's strongest Iraq war supporters, former Democrat (current Independent) Lieberman has <u>bashed Democrats for proposing timelines for withdrawing troops from Iraq</u>. Like McCain, Lieberman subscribes to George W. Bush's "<u>global war on terror</u>" view (which McCain calls "<u>a transcendental struggle</u>") and also supports expansive executive power for prosecuting that war. Lieberman has also advocated <u>a tax to fund expansion</u> of the military.

QUOTES:

"I'm worried that too many people, both in politics and out, don't appreciate the seriousness of the threat to American security and the evil of the enemy that faces us..[This threat is] more evil, or as evil, as Nazism and probably more dangerous than the Soviet Communists we fought during the long cold war." [New York Times, <u>8/11/06</u>]

"[Hillary Clinton's and Barack Obama's] positions on Iraq represent a retreat, which would be a surrender on Iraq." [The Advocate, <u>3/16/08</u>]

DANIEL MCKIVERGAN

Campaign Staffer

BACKGROUND: McKivergan is a former research director for the Weekly Standard. He joined McCain's staff as legislative director in 2000, and in 2002 he became deputy director of the Project for A New American Century, helping to coordinate the push for war in Iraq.

[http://thinkprogress.org/wonkroom/2008/03/17/mccain-advisers/]





McCain Campaign Website Highlights His Judgment On Iraq... Only Since August 2003

Matthew Duss

Promoting the surge-rific leadership of John McCain, senior McCain adviser Steve Schmidt told the Weekly Standard's Stephen Hayes that "Iraq is a character issue":

"Senator McCain's prescription to correct a failed policy was right. Senator Obama's was wrong," Schmidt continues. "They're not deliberating abstractions. This was a real event that shows whose judgment was right and whose judgment was wrong."[...]

"To some extent, the debate about Iraq is not a debate about Iraq. It's about leadership, wisdom, and judgment."

McCain's campaign website has a fancy <u>timeline</u>—if only his campaign strategy were as well designed! — showing how and when John McCain was right about Iraq. Interestingly, the timeline **begins in August 2003**.



So while McCain is certainly not modest about trying to claim credit for the 2007 troop surge — which his site graciously refers to as "The McCain Surge" — he is somewhat more modest about providing examples of his leadership, wisdom, and judgment about Iraq from before August 2003. In the interest of ameliorating this, I've compiled a small sample of McCain's pre-8/03 wisdom:

"Because I know that as successful as I believe we will be, and I believe that the success will be fairly easy, we will still lose some American young men or women." [CNN, 9/24/02]





"We're not going to get into house-to-house fighting in Baghdad. We may have to take out buildings, but we're not going to have a bloodletting of trading American bodies for Iraqi bodies." [CNN, 9/29/02]

"But the point is that, one, we will win this conflict. We will win it easily." [MSNBC, 1/22/03]

"But I believe, Katie, that the Iraqi people will greet us as liberators." [NBC, 3/20/03]

"It's clear that the end is very much in sight." [ABC, 4/9/03]

"There's not a history of clashes that are violent between Sunnis and Shiahs. So I think they can probably get along." [MSNBC, 4/23/03]

McCain's webmaster should feel free to take these and add them to McCain's Iraq timeline. And contact Think Progress for more!

[http://thinkprogress.org/wonkroom/2008/06/16/since-august-2003/]





McCain — The Neocon Candidate (Part 1): Firmly In The Interventionist Camp

Matthew Duss

An article in <u>this morning's New York Times</u> examines the "competition" between realists and neoconservatives in John McCain's foreign policy:

Senator John McCain has long made his decades of experience in foreign policy and national security the centerpiece of his political identity, and suggests he would bring to the White House a fully formed view of the world.

But now one component of the fractious Republican Party foreign policy establishment — the so-called pragmatists, some of whom have come to view the Iraq war or its execution as a mistake — is expressing concern that Mr. McCain might be coming under increased influence from a competing camp, the neoconservatives, whose thinking dominated President Bush's first term and played a pivotal role in building the case for war.

This article is trying to set up tension where none really exists: The competition for McCain's foreign policy soul is over. The <u>neocons cleaned up</u>, took the trophy, and went for beers (or maybe wine spritzers.) Of course McCain is still going to seek and take advice from a gallery of venerated foreign policy wise men, but the idea that there's actually a conflict between the neocon and realist camps for John McCain's attention is nonsense. Not only has John McCain long pitched his tent in the <u>neoconservative camp</u>, he advocates a view of American power diametrically <u>opposed to the realism of people like Henry Kissinger</u> and Brent Scowcroft, whose pragmatic approach the neocons have derided in the past as an ideology of "managed decline."

In a 2006 article tracking McCain's foreign policy views, John Judis wrote that, starting in 1998, McCain began to "place his new interventionist instincts within a larger ideological framework. That ideological framework was neoconservatism."

McCain began reading the Weekly Standard and conferring with its editors, particularly Bill Kristol...When McCain wanted to hire a new legislative aide, his chief of staff, Mark Salter–himself a former aide to neoconservative Jeanne Kirkpatrick, consulted with Kristol, who recommended a young protege named Daniel McKivergan...Randy Scheunemann, who had drafted the Iraq Liberation Act and was on the board of Kristol's Project for a New American Century, became McCain's foreign policy adviser. One person who has worked closely with Kristol says of Kristol and McCain, "They are exceptionally, exceptionally close."





McCain espoused a realist point of view in the 1980s and early 90s, supporting the withdrawal of U.S. forces from Lebanon even before the Marine barracks bombing sparked Ronald Reagan's quick retreat, and later opposing the U.S. mission in Somalia (even introducing an amendment to cut off funds for the troops there, a move he later said he regretted). After the quick U.S. victory of the first Gulf War, however, his views began to move in a more interventionist direction, and by the late 1990's he was firmly in the interventionist camp.

Unlike Bush, who came into office without having really thought much about foreign policy (apart from having derided "nation-building" during the campaign) and then landed upon neoconservatism after casting about for a suitable ideological framework for his post-9/11 vengeance policy, McCain derives his strong views on the vigorous and unconstrained exercise of American power from a righteous belief in American "national greatness."

The bottom line is that John McCain has been tied to the neocons, both personally and ideologically, for nearly a decade. Jacob Heilbrunn, author of <u>They Knew They Were Right</u>, a history of the noeconservatives (and a self-described former neocon himself) described the relationship this way: "<u>McCain represents for the neocons the ultimate</u> synthesis of war hero and politician."

And McCain, in turn, has been increasingly drawn to the neocons' militaristic vision of the U.S. as an empire that can set wrong aright around the globe.[...] If McCain becomes president, the neocons will be in charge.

[http://thinkprogress.org/wonkroom/2008/04/10/mccain-neocon-part-1/]





McCain — The Neocon Candidate (Part 2): 100 Years Of Cluelessness

Matthew Duss

As I <u>wrote in Part 1</u> of this series, John McCain shares with the neoconservatives a similar expansive view of American power. What he also shares, however, is an alarmingly simplistic view of Islamic extremism.

One of McCain's favorite talking points over the last few months has been that radical Islamic extremism is "the transcendent challenge of the 21st century." He used this formulation in his Foreign Affairs manifesto last year. It was also featured prominently in his March 26 foreign policy address, and he tends to use it whenever he talks about national security.

For all of McCain's media-abetted posturing as a foreign policy expert, however, there's no evidence that McCain's ever really understood the region from whence comes this transcendent challenge. Casting this struggle in grandiose terms is a way to hide the fact that he doesn't really understand what it is.

Here's what McCain said in his foreign policy address on March 26:

This challenge is transcendent not because it is the only one we face. There are many dangers in today's world, and our foreign policy must be agile and effective at dealing with all of them. But the threat posed by the terrorists is unique. They alone devote all their energies and indeed their very lives to murdering innocent men, women, and children. They alone seek nuclear weapons and other tools of mass destruction not to defend themselves or to enhance their prestige or to give them a stronger hand in world affairs but to use against us wherever and whenever they can.

McCain's website contains similarly vague references to "the war against the terrorists." McCain has never really defined who these terrorists are, apart from "radical Islamists," nor does he suggest any difference in either goals or ideology among the various groups so labeled.

And that's what's really scary. As far as McCain is concerned, it's all one big Islamofascist (sic) front against the West, Al Qaeda equals Iran equals Muqtada al-Sadr equals Hamas equals Hezbollah equals whomever's shooting at us this week. This is the same sort of thinking that got us into Iraq. And we shouldn't be surprised about this, because John McCain is being advised by many of the very same people who put us there. Like his advisers, McCain tends to cast all of these groups and movements together under the heading "radical Islamic terrorism" and proceed as if this were actually a strategically meaningful category.

McCain has made a number of gaffes over the past few months, suggesting on several occasions that <u>Iran</u> was training Al Qaeda, then <u>briefly identifying Al Qaeda as Shia</u> at Tuesday's hearings. While I do think it's significant that McCain may not, at this late date, have yet committed these things to memory, I think it's even more significant that, in McCain's foreign policy view, they don't even really matter.

[http://thinkprogress.org/wonkroom/2008/04/11/mccain-neocon-part-2/]





'The Fact Is' John McCain Is Confused About Iran

Matt Duss

My <u>previous post</u> referred to John McCain's confusion over who really sets Iran's foreign policy, as demonstrated under questioning by reporter Joe Klein.

KLEIN: According to most diplomatic experts, the supreme leader Ali Khamenei is the guy who's in charge of Iranian foreign policy, and also in charge of the nuclear program. But you never mention him. Why do you always keep on talking about Ahmadinejad since he doesn't have power in that realm?

MCCAIN: Again, I respectfully disagree, when he's the person that comes to the United Nations and declares his country's policy is the extermination of the state of Israel, quote, in his words, "wipe them off of the map" then I know that he is speaking for the Iranian government, and articulating their policy, and was elected, and is running for reelection, as the leader of that country... The fact is that he's the acknowledged leader of that country. You may disagree, that's your right to do so, but I think if you asked any Average American who the leader of Iran is, I think they'd know.

The fact is that John McCain is confused as to who is really the leader of Iran. (Big hint: He has the words "Supreme Leader" in his title.) There is no real dispute here: Iranian foreign policy is formulated and set by Ayatollah Ali Khamenei and Iran's National Security Council. Ahmadinejad may make a lot of ridiculous statements, but the fact is that he has very little influence in this regard.

As for McCain's attempt to derive Iranian policy from Ahmadinejad's comments, while Iran is certainly hostile to Israel, two days after Ahmadinejad made his notorious threat to "wipe Israel off the map," the president "was reined in by the Supreme Leader, who publicly reiterated Iran's policy of nonaggression to all UN members." This was widely interpreted as a public rebuke of Ahmadinejad. According to Iran expert Karim Sadjadpour, "[Khamenei] made it very clear: enough of this talk."

This isn't to suggest that Iran's posture toward Israel is appropriate or defensible — it certainly is not. Just that the policies of the Iranian regime, and the way in which it perceives its own interests, are quite a bit more complex than John McCain and other anti-Iran hawks seem to understand.

Here's the video of the exchange, which shows McCain sticking to his guns and simply refusing to accept that he is, in fact, wrong on the point.

Read the full transcript:





KLEIN: I've done some research –

MCCAIN: I have, too.

KLEIN: And also checked with the Obama campaign, and he's never mentioned Ahmadinejad directly by name. He did say that he would negotiate with the leaders, but as you know –

MCCAIN: I kind of thought that Ahmadinejad was the leader. Maybe I'm mistaken.

KLEIN: Maybe you are.

MCCAIN: Maybe. I don't think so, though.

KLEIN: According to most diplomatic experts, the supreme leader Ali Khamenei is the guy who's in charge of Iranian foreign policy, and also in charge of the nuclear program. But you never mention him. Why do you always keep on talking about Ahmadinejad since he doesn't have power in that realm?

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KLEIN: One more question on that

MCCAIN: The fact is that he's the acknowledged leader of that country. You may disagree, that's your right to do so, but I think if you asked any Average American who the leader of Iran is, I think they'd know.

[http://thinkprogress.org/wonkroom/2008/05/20/mccain-confused-iran/]





McCain's Hard-Line Rhetoric 'Increases Prestige' Of Other Hard-Liners

Matt Duss

Warning against the legitimizing effect of talks between the American and Iranian presidents, John McCain said today in a speech before the National Restaurant Association in Chicago that such high-level meetings "would increase the prestige of an implacable foe of the United States":

[Meetings would] reinforce his [Ahamdinejad's] confidence that Iran's dedication to acquiring nuclear weapons, supporting terrorists and destroying the State of Israel had succeeded in winning concessions from the most powerful nation on earth. And he is unlikely to abandon the dangerous ambitions that will have given him a prominent role on the world stage.[...]

An unconditional summit meeting with the next American president would confer both international legitimacy on the Iranian president and could strengthen him domestically when he is unpopular among the Iranian people.

Here's another area where McCain reveals his ignorance of the Iranian system, and of the effects of his own self-gratifying rhetoric. While Ahmadinejad enjoys influence by virtue of his being a public figure, it is not he but Iran's supreme leader, Ayatollah Ali Khameini, and Iran's National Security Council, who <u>set Iranian foreign policy</u>.

As for "increasing the prestige" of Ahmadinejad, as Iran analysts Vali Nasr and Ray Takeyh pointed out last December, Ahmadinejad's prestige has benefited from the bellicose rhetoric coming from American conservatives, allowing him "to suppress dissent and divert attention from domestic woes to international crises he is only too happy to fuel."

Clearly, Ahmadinejad would like nothing better than for John McCain to continue Bush's policy of confrontation and escalation. And McCain seems all too willing to oblige, as he hysterically calls "radical Islamic terrorism" the "transcendental challenge of the century," carelessly casting together groups and movements with conflicting goals and ideologies and treating them as a single monolithic enemy. McCain still doesn't seem to understand that Iran and Al Qaeda are two very different groups, representing two different threats. And McCain and Bush seem to be the last people in the world to figure out that their Iraq policies have empowered Iran's hard-liners and weakened moderates and other U.S. allies throughout the Middle East. Yet McCain continues to persist as if these policies have worked.

[http://thinkprogress.org/wonkroom/2008/05/19/mccain-hard-liners/]





McCain Has No Answer For Tackling Al Qaeda Strongholds In Pakistan and Afghanistan

Our guest blogger is Brian Katulis, a senior fellow at the Center for American Progress Action Fund.

Sen. John McCain's <u>speech yesterday</u> attracted a lot of media attention for what he said about Iraq –but it is what he DIDN'T say on Afghanistan and Pakistan that should worry most Americans.

Conservatives like McCain have demonstrated that they may be strong on rhetoric but actually lacking in clear ideas on how to truly tackle the continued threat posed by the global Al Qaeda movement.

As the threat from Al Qaeda becomes more diffuse, U.S. and foreign intelligence agencies have reached a strikingly unanimous conclusion that the core organizational leadership has reformed itself. Its location? Pakistan.

Al Qaeda has, in the words of the Director for National Intelligence's February 2008 Annual Threat Assessment, "retained or regenerated key elements of its capability, including top leadership, operational mid-level lieutenants, and de facto safe haven in Pakistan's border area with Afghanistan, known as the Federally Administered Tribal Areas, or the FATA." The CIA, State Department, and Joint Chiefs of Staff have all echoed this warning in recent months. The threat is not exclusive to America: terror plots in Denmark, Germany, and Spain, as well as a score of attacks within Pakistan itself, have all been traced back to the FATA.

If Pakistan represents the center of gravity in the fight against Al Qaeda, you would not be able to tell it from any policies put forth by a conservative political establishment still fixated on Iraq. As Congress' independent non-partisan investigatory body, the Government Accountability Office, recently concluded, the Bush administration still lacks a unified strategy for dealing with the FATA that incorporates all elements of U.S. national power.

And for most of Bush's tenure in office, a loyal Congress has abdicated any responsibility for holding the administration accountable for this. In its two years from 2005-2006, the 109th Congress managed to hold just one single hearing on Pakistan in all the Armed Services, Foreign Affairs, Intelligence, and Oversight committees of both the House and Senate combined. Since the shift in power that brought more progressives into the 110th Congress, there have been at least fifteen congressional hearings on Pakistan alone.





McCain, the presumptive leader of the American conservative movement, simply follows in the path of the Bush administration's lack of attention to what is one of the most pressing national security challenges. A few lines may make it into some speeches, but it is pretty clear that McCain and his team, like most other conservatives, have not given much thought to Pakistan. Senator McCain's Columbus speech envisions a cooperative government of Pakistan and predicts that after four years of a McCain administration, "there is no longer any place in the world al Qaeda can consider a safe haven". But the "National Security" issues section of his campaign website is completely empty of references to Pakistan and the Al Qaeda presence there, or of any policies to close the safe havens that exist there now.

When McCain does attempt to directly address Pakistan in speeches or comments to the media, he frequently betrays an ignorance of the complex realities of its internal political challenges. Candidate McCain's November 2007 Foreign Affairs article laying out his prospective foreign policy agenda makes only passing reference to Pakistan, and suggests that the "Talibanization" of the country is imminent. In fact, militancy in Pakistan is largely concentrated in the FATA, Islamist political parties lost in large numbers in the most recent elections, and both U.S. and Pakistani military officials have dismissed any possibility that the country's nuclear arsenal could fall into the hands of terrorists.

Like President Bush, who has relied on him as an exclusive interlocutor since 2001, McCain credits President Pervez Musharraf with saving Pakistan from itself. McCain has described Pakistan as a "failed state" prior to the assumption of power by then-General Musharraf in a military coup, underplaying the role of the Pakistani military in suppressing democratic forces and its historic support for militant groups operating under an Islamist banner as a means of checking domestic opposition and destabilizing its neighbors.

While conservatives remain fixated on signaling toughness on national security, a look beneath the surface finds that they actually have no clear plan to make America more secure from the Al Qaeda movement that killed three thousand Americans on September 11th. Like President Bush, conservatives remain mired in political rhetoric and posturing, rather than offering a clear strategy to make Americans more secure

[http://thinkprogress.org/wonkroom/2008/05/16/mccain-pakistan/]





FLASHBACK: In 2003, McCain Blasted Administration's Indefinite Detention Of Detainees

Ken Gude and Amanda Terkel

Yesterday, the Supreme Court <u>ruled</u> that Guantanamo Bay detainees have the right to challenge their detention in civilian courts. The Bush administration and its allies quickly criticized the decision:

President Bush: "It was a deeply divided court and I strongly agree with those who dissented. The dissent was based upon those serious concerns about U.S. national security." [Link]

Sen. John McCain (R-AZ): "The United States Supreme Court yesterday rendered a decision which I think is one of the worstdecisions in the history of this country. Senator Graham, and Senator Lieberman, and I...made it very clear that these are enemy combatants, these are people who are not citizens. They do not and never have been given the rights that citizens of this country have. [6/13/08]

Sen. Lindsey Graham (R-SC): "I am deeply disappointed in what I think is a tremendously dangerous and irresponsible ruling by the U.S. Supreme Court. ... The court has conferred upon civilian judges the right to make military decisions." [Link]

McCain and Graham's objections sharply contrast with their positions in 2003, when they wrote a <u>letter</u> to then-Defense Secretary Donald Rumsfeld, urging him to swiftly resolve the status of Guantanamo detainees:

The treatment of the detainees is not an issue. However, a serious concern arises over the disposition of the detainees - a considerable number of whom have been held for two years. [...]

Yet, we firmly believe it is now time to make a decision on how the United States will move forward regarding the detainees, and to take that important next step. A serious process must be established in the very near term either to formally treat and process the detainees as war criminals or to return them to their countries for appropriate judicial action.

On Dec. 13, 2003, the New York Times also reported that McCain said, "They may not have any rights under the Geneva Conventions as far as I'm concerned, but they have rights under various human rights declarations. And one of them is the right not to be detained indefinitely."





Five years after their letter, just "one detainee has received a verdict." Approximately 270 are still detained there and "about half are considered too dangerous to release, even though the government does not have enough evidence to charge them."

This Supreme Court ruling will inevitably lead to a "flood of new litigation" challenging the Bush administration's right to hold these detainees. Detainees will then finally get a decision as to their status — exactly as McCain and Graham requested.

In light of these 2003 remarks, it's unclear why McCain considers this Supreme Court ruling the "worst decision in history," except for the fact that it isn't what the Bush administration wanted.

- Ken Gude and Amanda Terkel

[http://thinkprogress.org/wonkroom/2008/06/13/mccain-gitmo-sc/]





McCain Doesn't Understand McCain's Position on Guantanamo

Our guest blogger is <u>Ken Gude</u>, Associate Director of the International Rights and Responsibility Program at the Center for American Progress Action Fund.

Last week's Supreme Court ruling affirming the Guantanamo detainees' constitutional right to habeas corpus further narrowed the legal distinction between holding them in Cuba and in the United States. The Bush administration picked Guantanamo precisely because it believed the American military base on the eastern tip of Cuba was beyond the reach of any court. With that notion rightly put to rest, supporters of closing Guantanamo like John McCain should be encouraged, as there is now much less of an argument against moving some of the detainees to the military prison at Ft. Leavenworth, Kansas, as he proposes.

That's why I find his reaction to the Boumediene decision so odd. McCain unleashed a full broadside at the court the day after the ruling, calling it "one of the worst decisions in the history of this country... Our first obligation is the safety and security of this nation, and the men and women who defend it. This decision will harm our ability to do that."

At <u>issue in Boumediene</u> is whether habeas rights extended to Guantanamo. There has never been any doubt that any individual in the United States possesses habeas rights. McCain is on the record saying, as president, he "<u>would immediately close Guantanamo Bay</u>, [and] move all the prisoners to Fort Leavenworth." That action would have exactly the same effect as the Court's decision in Boumediene.

McCain goes on to claim that his plan to close Guantanamo the Supreme Court's ruling is "going to have the courts flooded with so-called, quote, Habeas Corpus suits against the government, whether it be about the diet, whether it be about the reading material." This would be silly if it wasn't so tragic. Garden variety habeas petitions from inmates in American prisons may more often deal with diet than detention, but the detainees at Guantanamo are not asking for better food, many believe that they are wrongly imprisoned and are contesting the lawfulness of their confinement.

Let's look at the facts of the named plaintiff in the case, <u>Lakhdar Boumediene</u>. Boumediene is a Bosnia citizen of Algerian descent who was arrested in October 2001 in Bosnia by Bosnian officials after American intelligence analysts in Bosnia feared that Boumediene and five other Algerian-Bosnians were part of a plot to attack American targets there. After four months in detention, the Bosnian Supreme Court ruled that there was no evidence to continue to hold the six men and ordered their release in January 2002. American officials immediately took custody the six and shipped them off to Guantanamo. That was more than six years ago.

Fixing the mess at Guantanamo is going to be enormously difficult. The Bush administration has made so many catastrophic mistakes that there are no good or easy solutions. If John McCain doesn't understand the implications of his proposal to close the prison, how can we trust him to make the right call on the really hard questions that are sure to arise in any genuine effort to close Guantanamo?

[http://thinkprogress.org/wonkroom/2008/06/19/mccain-doesnt-understand/]





Scheunemann: Just Another Lobbyist On The Straight Talk Express

Matthew Duss

Via <u>TAPPED</u>, John McCain's foreign policy spokesman <u>Randy Scheunemann</u> recently gave an interview to Radio Free Europe about the <u>growing tension</u> between Russia and Georgia. Scheunemann took a hard line against Russia's "undermining of Georgian sovereignty" by <u>moving to establish direct ties</u> with breakaway regions of Georgia.

Interestingly, neither Scheunemann nor the interviewer mentioned that Randy Scheunemann used to be employed <u>as a lobbyist for the Georgian government</u>. That's right, the person who's giving John McCain advice on Russia and Georgia was "registered with the U.S. Department of Justice as a foreign agent working on behalf of the government of Georgia."

Scheunemann is a longtime neoconservative activist and lobbyist. In addition to working for the government of Georgia, Scheunemann was was the director of the <u>Committee for the Liberation of Iraq</u>, a neocon front group spun off from the <u>Project for the New American Century</u> (where Scheunemann also works as a <u>foreign policy and national security analyst</u>) which lobbied for the invasion of Iraq. Scheunemann's firm, Scheunemann and Associates, also <u>lobbied for the National Rifle Association</u> between 1999 and 2002.

Of course, Scheunemann is only one of the many <u>former lobbyists</u> helping to drive the Straight Talk Express. In fact, as <u>Media Matters reported</u>, "McCain has more <u>current and former lobbyists working on his campaign staff</u> than any other candidate in the 2008 presidential election."

[http://thinkprogress.org/wonkroom/2008/04/30/scheunemann-lobbyist-georgia/]





John McCain's Buffet-Style Foreign Policy

Matthew Duss

A few unforced errors from John McCain on the campaign trail. At a town meeting in Denver, trying to build suspense for the upcoming roll-out of his energy plan, McCain assured an admiring audience:

My friends, I will have an energy policy that we will be talking about, which will eliminate our dependence on oil from the Middle East that will — that will then prevent us — that will prevent us from having ever to send our young men and women into conflict again in the Middle East.

This is bad on a couple levels. There's the obvious gaffe in suggesting that the U.S. is fighting the Iraq war over oil (something which many already believe). Then there's the fact that the U.S. already gets the majority of its oil from regions other than the Middle East. Finally, regardless of how much oil the U.S. does or does not get from the Middle East, other countries will certainly still be getting it from there, developing economies such as China's absolutely depend upon it, and thus securing and ensuring continued access to Middle East oil will be a central element of any global economic and security framework for the foreseeable future. One would hope that anyone running for president understands this.

At a different event, McCain <u>tried again to distance himself</u> from the "<u>100 years</u>" remark, and offered this bit of straight talk about America's future presence in Iraq:

After we win the war in Iraq ... then I'm talking about a security arrangement that may or may not be the same kind of thing we have with South — with Korea.

In 2005, McCain rejected the South Korea model for Iraq, saying that he "hoped we could bring them [the troops] all home." <u>Last August</u>, McCain said that the Korea model was "exactly" the right idea. Then <u>in November he changed his mind again</u>, saying the he didn't think the South Korea analogy was a good one. Then in January, he was back in favor of the South Korea model, offering it in support of his "100 years" remark.

Now it appears that McCain has settled on a little from column A, and a little from column B.

[http://thinkprogress.org/wonkroom/2008/05/02/john-mccains-buffet-style-foreign-policy/]





In Search of Sustainable Security: Linking National Security, Human Security, and Collective Security to Protect America and Our World

By Gayle Smith

Not long ago I conducted an informal survey during a trip to East Africa, asking everyone I met how they view America. My interlocutors were from Africa, the Middle East, and Asia. They were, in the main, educated and working in the private sector, the policy world, or government. Many of them hold dual passports.

Their answers were strikingly similar. Most of them said in one way or another that the "idea" of America has changed for the worse, and most asserted that they are less interested in traveling to, working in, or working with the United States now than in the past. But most disconcerting was the hope, expressed with striking consistency, that China would soon attain its full power so that American hegemony could be brought in check.

This was not for any love of China's ideology or even the aggressive aid and investment strategies Beijing is deploying in the developing world. It was, as a young woman attorney explained, because "America used to be the champion for all of us, and now it is the champion only for itself."

That much of the world has lost faith in America bodes ill for our national security because our role in the world is secured not simply by our military power or economic clout, but also by our ability to compel other nations to follow our lead. The next president will have the opportunity to craft a modern national security strategy that can equip the United States to lead a majority of capable, democratic states in pursuit of a global common good—a strategy that can guide a secure America that is the world's "champion for all of us."

But positioning America to lead in a 21st century world will take more than extending a hand to our allies, fixing a long list of misdirected policies, or crafting a new national security strategy that is tough but also smart. With globalization providing the immutable backdrop to our foreign policy, America is today competing on a global playing field that is more complex, dynamic, and interdependent and thus far less certain than in the past.

Leading in this new world will require a fundamental shift from our outdated notion of national security to a more modern concept of sustainable security—that is, our security as defined by the contours of a world gone global and shaped by our common humanity. Sustainable security combines three approaches:

National security, or the safety of the United States





- Human security, or the well-being and safety of people
- Collective security, or the shared interests of the entire world

Sustainable security, in short, can shape our continued ability to simultaneously prevent or defend against real-time threats to America, reduce the sweeping human insecurity around the world, and manage long term threats to our collective, global security. This new approach takes into account the many (and ongoing) changes that have swept our planet since the end of the Cold War and the fall of the Soviet Union. To understand the efficacy of this new doctrine, though, requires a quick look at this new global landscape.

The New Realities of the 21st Century

During his presidency, Bill Clinton spoke often and passionately about our global interdependence and of positioning America to cross a "bridge to the 21st century." Once across, however, the Bush administration took a sharp right turn. In the wake of the September 11 terrorist attacks on the United States, the administration narrowly defined the quest for America's security, distinct from and uninformed by the interests of the larger world we inhabit.

The challenge before us, President Bush asserted, was the struggle between good and evil, our strategy was to wage his so called "war on terror," and our goal was to shape a "world without tyranny." Our primary tool was a strong military backed by the resolve to use force without seeking a "permission slip" from the international community. And our object was the "axis of evil," and the rest of the world was either "with us or against us." Anyone who suggested that it might not be quite that simple was quickly and effectively discounted as "soft on terrorism."

Despite ambitious rhetoric about the promotion of our core values—of leading "the long march to freedom" and pursuing the "non-negotiable demands of human dignity"—the Bush administration has culled its allies not from among those countries most committed to democracy, but from among those who have oil. The Bush administration had to leverage all of its diplomatic and economic clout to persuade the so-called "Coalition of the Willing" to participate at all in the invasion of Iraq. Then, the administration offered up not the shining example of an America where human and civil rights prevail, but an America where Guantanamo, Abu Gharaib, and illegal wire-tapping are justified by an elusive, greater purpose.

The United States has for the last five years defined America's role in the world with near exclusive reference to the invasion of Iraq. The deaths of 4,000 American soldiers, maiming of tens of thousands more, and the expenditure of well over \$400 billion, has failed to lay the foundations for either stability or democracy. And as defined by the Bush administration, the "War on Terror" has fared no better: Al Qaeda has not been defeated, and Osama bin Laden, its leader and the mastermind of the September 11 attacks, has yet to be captured.





Our losses, however, extend far beyond the edges of a failed Iraq policy or the shortcomings of an ill-defined "war on terror." We have also lost precious time, and are well behind the curve in our now tardy efforts to tackle the global challenges that are already shaping our future—climate change, energy insecurity, growing resource scarcity, the proliferation of illegal syndicates moving people, arms, and money— all of them global challenges that have been steadfastly ignored and in some cases denied by an ideologically-driven Bush administration lodged firmly in its own distinct version of the here and now.

Perhaps most damaging, however, is this: We have lost our moral standing in the eyes of many who now believe that the United States has only its own national interests at heart, and has little understanding of or regard for either global security or our common humanity. Just as potent as the unsustainable federal budget deficit George W. Bush will leave in his wake is the unsustainable national security deficit that he will pass on to his successor. Whoever prevails in November will face a daunting list of real-time national security imperatives, among them:

- A spiraling crisis in Iraq
- Afghanistan's steady implosion
- A fragile Pakistan
- An emboldened Iran
- A raging genocide in Sudan
- The growing insecurity of our oil supplies
- A nuclear North Korea
- An increasingly dangerous Arab–Israeli conflict

Just to name a few. But the next president will also face looming and less tangible threats to our national security in a world where power has grown more diffuse and threats more potent—a world in which our security depends not only on the behavior of states, but also on a host of transnational threats that transcend national borders, such as terrorism, pandemics, money laundering, and the drug trade.

And finally, the next president will be confronted by the more subtle but potent threats and moral challenges arising from sweeping human insecurity in a world divided by sharp disparities between rich and poor, between those nations actively engaged in fast-paced globalization and those left behind, and between people who have tangible reasons to believe in a secure and prosperous world and those who daily confront the evidence that violence is a more potent tool for change than is hope.





Sustainable Security Is the Answer

The world has changed profoundly during the last 50 years, but our concept of national security has not. The concept of national security came into being after World War II, and has had as its primary focus a world dominated by the nation state. In this new era of globalization, we continue to rely upon the narrow definition offered by George Kennan, who in 1948 described our national security as "the continued ability of the country to pursue the development of its internal life without serious interference, or threat of interference, from foreign powers." While Kennan's definition might have been relevant to the era of containment, it is insufficient in today's integrated and interdependent world.

A modern concept of national security demands more than an ability to protect and defend the United States. It requires that we expand our goal to include the attainment of sustainable security.

The pursuit of sustainable security requires more than a reliance on our conventional power to deflect threats to the United States, but also that we maintain the moral authority to lead a global effort to overcome threats to our common security. With its global scope, sustainable security demands that we focus not only on the security of nation states, but also of people, on human security. An emerging concept borne of multidisciplinary analyses of international affairs, economics, development, and conflict, human security targets the fundamental freedoms—from want and from fear—that define human dignity.

National security and human security are compatible but distinct. National security focuses on the security of the state, and governments are its primary clients, while human security is centered on the security of individuals and thus on a diverse array of stakeholders. National security aims to ensure the ability of states to protect their citizens from external aggression; human security focuses on the management of threats and challenges that affect people everywhere— inside, outside, and across state borders.

A national security strategy is commonly crafted in real time and focused on tangible, proximate threats, while a human security strategy aimed at improving the human condition assumes a longer-term horizon. Sustainable security combines the two, thus allowing for a focus on the twin challenges of protecting the United States while also championing our global humanity—not simply because it is the right thing to do, but also because our security demands it.

For a majority of the world's people, security is defined in the very personal terms of survival. The primary threats to this human security have far less to do with terrorism than with poverty and conflict, with governments that cannot deliver or turn on their own citizens, and with a global economy that offers differentiated access and opportunities to the powerful and the powerless. For literally billions of the world's people, weapons of mass destruction are not nuclear bombs in the hands of Iran, but the proliferation of small arms. For them, freedom is not defined simply by the demise of dictators, but also by the rise of economic opportunity. Ensuring our security in today's world, however, also





requires a focus on collective security. Among the major challenges that the United States will face over the coming decades are climate change, water scarcity, food insecurity, and environmental degradation. These are challenges that will threaten the economic well-being and security of all countries on earth, and by dint of their global nature, their effects cannot be overcome unless we adopt a global perspective and strategy.

Take the example of the world food crisis that emerged in the spring of 2008. No single cause triggered the near doubling of world food prices. Indeed, the causes included the skyrocketing price of oil, the growth of the middle class in the developing world (and thus rising demand in China and India), droughts in Australia and Ukraine, a weak dollar, and the expansion of biofuels production in the United States and Europe.

The consequent rise in food prices triggered riots or protests in Europe, Mexico, Egypt, Afghanistan, and several other countries, and plunged millions in the developing world into abject poverty. In the United States, the number of Americans seeking assistance from food banks rose 20 percent to 25 percent.

Or consider "transnational threats," such as money laundering, terrorism, and international drug and crime syndicates, all of which transcend state borders. These are threats that pose risks to the United States, but also to the well-being of our allies, to global stability, and to the world economy.

A national security approach seeks to prevent or reduce the effects of these trends and threats to the United States; a collective security approach, in contrast, assumes that the United States must act globally—in partnership with allies and in coordination with international institutions—to prevent or manage them.

Sustainable Security in Practice

Crafting a sustainable security strategy requires three fundamental steps. The first is to prioritize, integrate, and coordinate the global development policies and programs pursued by the United States. While our military power provides a critical and effective tool for managing our security, our support for the well-being of the world's people will not only provide us with a moral foundation from which to lead but will also enhance our ability to manage effectively the range of threats and trends that shape the modern world.

Second, we must modernize our foreign aid system in order to allow the United States to make strategic investments in global economic development that can help us to build capable states, open societies, and a global economy that benefits the world's majority. Third, we must re-enter the international arena, stepping up to the plate to lead the reform of international institutions that have not kept pace, and to create new institutions that are needed to manage our collective security.

In the pages that follow, this paper will present the challenges that threaten our national, human, and collective security in order to show just how important it is for the next





president to embrace these sustainable security policies. As this report will demonstrate, changing course will be difficult, but changing course is imperative to secure the future prosperity of humanity— an original and time-tested American value.

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