

## **One Last Chance for McCain**

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Posted 10/07/2008 ET

Updated 10/07/2008 ET

America this October is like a patient who has barely avoided a massive heart attack. We have no strategy for recovery, no strategy for economic growth, and no strategy for holding accountable those who have created this mess.

We're also far from out of danger. If we do not create an economic recovery program, we will be facing another bailout next year.

To put it another way: We can mop up water all we want but if we don't fix the leak we will simply have to keep mopping.

Similarly, we can pass a bailout, but if we don't fix the economy we will have more and more bailouts.

### **America Must Get Back to the Fundamentals to Be Healthy Again**

If we don't develop an energy abundance plan, we will continue to send \$500 billion or more a year overseas and our economy will continue to weaken.

If we don't focus on making it easier for small business and for entrepreneurial startups, we won't have the new jobs to replace the old ones that are fading away under the pressures of science, technology and the world market.

If we don't get government spending, government regulations, government bureaucracy and government-mandated litigation under control, our economy will continue to weaken and we will be hit with rising inflation.

America has to get back to the fundamentals to become healthy again.

### **The Bush-Paulson Economic Strategy Has Been a Disaster**

The Bush-Paulson strategy has been a disaster and has made things more difficult.

This spring, the \$152 billion stimulus bill was wasted money. It should have been invested in science, technology, energy, infrastructure and pro-jobs, pro-savings tax cuts.

Imagine repealing the business killing Sarbanes-Oxley bill, eliminating the capital gains tax, going to 100 percent annual expensing for small businesses, and other practical steps to create jobs and generate wealth to mop up the bad debts.

Imagine half of the \$152 billion invested in clean coal, biofuels, solar power, wind power, nuclear power, natural gas vehicles, hydrogen vehicles and drilling for oil and natural gas. Imagine the other half being invested in the National Institutes of Health, the National Science Foundation, and in a space-based air traffic control system that would increase capacity in the

Northeast by 40 percent. That would have been a long-term investment strategy instead of a wasted stimulus package.

### **Amazingly, the Housing Bailout Contained \$500 Million for Radical, Anti-Free Market Groups**

To give you a sense of how failed the current strategy has been, consider this: This summer a \$300 billion housing bailout was passed with a \$500 million a year payment to a radical, anti-free market group called ACORN and other left-wing organizing groups.

ACORN is a left-wing, political extortion racket. It's currently busy bussing people to vote early in Ohio and elsewhere - these are your tax dollars at work. You get taxed to send a left-wing group money to use to elect left-wing predatory politicians to raise your taxes to give more money to groups who help them get elected, etc.

It was suicidal for a Republican president to sign that housing bailout bill and any bill that contains funding for groups so radically opposed to the values and interests of the vast majority of Americans.

### **The Paulson Bailout a "Paradigm Shift" Toward Big Government and Big Cronyism**

The Paulson bailout was initially bad and made worse by the Congressional Democrats. Then, John McCain and the House Republicans moved the bill from terrible to merely bad.

Still, lobbyists are already lining up to get their piece of the Paulson pie. They see a goldmine of new government regulation and involvement in private industry for them to exploit for their clients. One [lobbyist told](#) the Hill newspaper: "This will ripple through every piece of major legislation we are looking at next Congress. This is a paradigm shift."

### **Too Little Too Late: The SEC Moves Away From Mark-to-Market Accounting**

Finally, the Bush Administration resisted for months modifying the mark-to-market accounting system which has been the source of many unnecessary bankruptcies.

The need to abandon the mark-to-market rule was the focus of my [speech](#) last Tuesday morning at the National Press Club. By Tuesday afternoon, to its credit, the Securities and Exchange Commission (SEC) admitted the mark-to-market rule needed to be revised and announced a substantial change in its application. If the SEC had done this three months ago, it might have avoided \$500 billion of the \$700 billion in bad debt that Paulson wants to bail out with your money.

### **But If Bush-Paulson is Bad, Obama-Frank-Dodd-Pelosi-Reid Will Be Worse**

Clearly, by any reasonable standard, the Bush-Paulson stewardship of the economy has failed.

But the Barack Obama-Barney Frank-Chris Dodd-Nancy Pelosi-Harry Reid-left-wing policies of big government, high taxes, more litigation, and insider deals for their left-wing special interests will be even worse.

We've heard a lot about predatory lenders in this current economic crisis. They deserve their share of the blame. But it's time to introduce a new term that gets us closer to the real roots of this crisis: Predatory politicians.

Predatory politicians are much more dangerous than predatory lenders. Predatory politicians have the power of the government to coerce you.

Government under Obama, Frank, Dodd, Pelosi and Reid will be government by and for predatory politicians. It will make dealing with predatory lenders seems like a walk in the park.

### **McCain and Palin Should Sound the Call Against Predatory Politicians**

The elite media has desperately sought to avoid the guilt of the left for the current crisis. But this is a topic Senator McCain and Governor Palin should spend at least one-third of their time on for the next four weeks.

For more information on predatory politicians and their role in the making of the economic crisis, see my paper "[Predatory Politicians, Destructive Leftwing Politics and the Roots of the Housing Crisis.](#)"

And if McCain and Palin find themselves in need of arguments against the left's all-purpose excuse that a lack of government regulation is all that is behind the economic crisis, they should [read this conversation](#) with Warren Buffett. The government had a 200-employee agency whose sole job was to watch over Fannie Mae and Freddie Mac and yet Fannie and Freddie still managed to bring the economy to its knees.

### **The Questions Senator Obama Needs to Answer**

Senator Obama is intimately tied to corruption, left-wing radicalism, and predatory politicians. But the elite media has done everything it could to avoid asking the key questions.

For a list of the questions Senator Obama needs to answer before we can judge his fitness for office, see my paper "[Why is Barack Obama Afraid to Answer These Questions?](#)"

Senator McCain and Governor Palin should spend another third of their time asking Obama and the elite media to answer these questions.

They could use the same technique that Senator Richard Russell used in 1936 to defeat populist Georgia Governor Gene Talmadge. Russell literally posted a list of questions on the podium in Macon and told the crowd "Don't let him leave until he answers them." It was the psychological turning point of that campaign because Talmadge refused to answer and the people knew it.

If everywhere Obama and Biden went for the next 28 days they were faced with these questions

they would rapidly lose popular legitimacy.

### **The McCain Crisis: Danger and Opportunity**

Senator McCain now faces the crisis of his career.

He is behind.

He will not catch up on a state-by-state basis.

He will either win the argument in the national media, suddenly growing stronger in many states or he will lose the national debate and gradually decline further in a number of states.

### **The Danger For McCain**

If Senator McCain is not prepared to separate himself from the Bush-Paulson economic program, he has no opportunity to win.

The country is deeply fed up with the Bush presidency and angry about the Paulson bail out. If McCain is confused or uncertain about how bad this economic performance is, he will never get the country to listen to him.

### **The Opportunity for McCain**

Just as Margaret Thatcher and Ronald Reagan (as well as the House Republicans in 1994 with the Contract with America) created a large argument which led to a decisive result, so McCain has an opportunity to reach beyond the daily attacks and clever tactics and spend the last 28 days of this campaign making a large argument over America's future.

If McCain is prepared to declare that it is time for a fundamental change away from the failure of Bush-Paulson and away from the leftism of Obama (a "clean rupture" as French President Nicolas Sarkozy described it in breaking with President Jacques Chirac (watch my video on Sarkozy [here](#)) or "bold colors with no pale pastels" as Reagan described it in breaking with President Ford in 1976), then he has a huge opportunity on three levels:

### **First, small business and free markets are better than bureaucrats and socialism.**

We know this as a matter of American values and polling confirms it. The margin isn't even close; it's about 70 -20 or better. Clinton pollster Doug Schoen and Republican pollster Kellyanne Conway recently did a [survey](#) for American Solutions which proves the American people hold the government responsible for much of our current economic pain. On other key issues like energy and taxes, the [Platform of the American People](#) proves that McCain could build a big majority.

**Second, the vast majority of the American people are deeply fed up with the corruption, dishonesty, and arrogance of Washington and of many of their state capitals.**

A candidate with the courage to tell the truth about Franklin Raines, Chris Dodd, Barney Frank, the Carter and Clinton-era pressures for bad loans, the ACORN pressure for bad loans (trained in Chicago by Barack Obama in his [community organizer days](#)) would have an enormous response from a country which is sick of predatory politicians, arrogant bureaucrats, and elitist reporters.

In short, the elites would be enraged but the American people would be enthusiastic.

**Third, there are huge groups of Americans eager to have someone address their concerns and offer them hope.**

Millions of small business owners would like a program that cut spending in Washington and taxes on their businesses and reduced regulations and red tape.

Millions of drivers would like an energy program that offered them hope. They believe in drilling here and drilling now.

Every person who uses electricity is eager for a determined effort to develop clean coal.

Millions of retirees or soon to be retirees would like a program that would strengthen the economy and increase the value of their investments.

Entrepreneurs and venture capitalists would fight for a program that abolished Sarbanes-Oxley, eliminated the capital gains tax, and expanded H-1B visas for talented workers.

A bold program of the right changes would rally a massive number of activists and donors to fight for a better future.

### **"Action This Day"**

That was the slogan Winston Churchill used to focus and energize the British Government when he became prime minister in the darkest days of World War II.

If Senator McCain is prepared to be as bold as Winston Churchill and as aggressive as Theodore Roosevelt, this is an election that can be won and might be won by a shocking margin (like Harry Truman in 1948).

The choice is his. As for myself, I know of no other path that will work.