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**The Rhetoric of Speeches on the Economy**  
*An analysis of the portrayal of the economic crisis in campaign speeches of  
presidential candidates Barack Obama and John McCain.*



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## **Chapter 1**

### **Introduction**

On January 20<sup>th</sup>, 2009 Barack Obama was sworn in as the 44<sup>th</sup> president of the United States of America. He was immediately faced with one of the worst recessions America had seen since the Great Depression. This recession, which started with a financial crisis in 2007, was one of the major points in his campaign as this was one of the largest issues the nation and its citizens were dealing with. Like Obama his opponent from the Republican Party, senator John McCain had no choice but to make this crisis one of the main campaign points as well. This was what the American people were faced with, and this was what the presidential candidates would have to address. But how did they do this? And how effective were they? These are the central research questions that this thesis seeks to address via the means of rhetorical analysis. I will present an overview of which rhetorical aspects in the speeches I will analyze. I will also explain which speeches I have chosen for analysis and why.

At the beginning of 2008 on March 24<sup>th</sup> Bear Stearns, an investment bank and one of the largest mortgage bonds underwriters, collapsed after having received an emergency loan from the Federal Reserve Bank of New York. (NY Times, 2008: 1) This seemed to be the beginning of the crisis. The day after this collapse, McCain gave a speech in Orange County at the Hispanic Small Business Roundtable. The full speech was dedicated to the economy, its state, the causes of the current state and what should be done. Two days later, Obama gave a similar speech at the Cooper Union in New York

City. Again his speech was completely dedicated to the American economy. These are the two speeches that I will analyze in this thesis. They were the only two speeches McCain and Obama made at the same time devoted to the economy. Therefore these speeches can be used to compare frames and style figures to see how both candidates handle the economy and portray the situation for their audiences.

In my analyses I will look at the following rhetorical phenomena: structure, framing and style figures. The reason for looking at structure is to see how the speeches are constructed and at what point both candidates start addressing which issues. Do they follow the logical structure of establishing the problem, finding the causes, and giving their solutions or do they take a different approach? Secondly, I will examine their framing of the crisis. How do both candidates portray the situation at hand? Economics is generally considered to be about psychology, and the market can be influenced by simple rumors. (McCloskey, 1998). According to Tindall and 't Hart, an authority figures need to be careful in approaching such a crisis. If they decide to “use terms such as crisis, recession or depression” this can “generate self-fulfilling prophecies”. (2009: 4) However, conversely, if the candidates decide to ignore the crisis, or downplay it too much, they could be seen as “out of touch, inept or impotent – which will create a backlash in markets in a different way.” (Tindall & 't Hart, 2009: 4) Also, according to Wood, Owens and Durham, consumers look to leading economic actors for information on their future financial situation. Based on that they decide on their current spending behavior. The president is one of the leading economic figures because they expect him to “monitor U.S. economic performance and take measures to promote economic growth.”

(2005: 630) As these are candidates running for the office of President of the United States of America, it can be assumed that consumers will also look to both McCain and Obama for this leadership as very soon one of them will be running the country. Therefore the rhetorical framing of the crisis is of vital importance. Thirdly, I will look at the use of style figures by both candidates as these can strengthen or weaken the frame set up by the speaker. What do they do to foreground certain aspects of their speech, i.e. how do they highlight certain aspects of their speeches? And what are these aspects? Through style figures, the refiguring of ordinary spoken English, certain parts of sentences and speeches can be foregrounded because there is a change in what the audience expects coming.

Finally, I will compare Obama's speech directly to McCain's to see whether there were any significant differences. How did both candidates address the financial crisis? And how effective were they in doing so?

## Chapter 2

### McCain's Speech on the Economy, March 25<sup>th</sup> 2008

#### 2.1 Speech background

On the first of March, 2007, McCain announced his candidacy for President on the Late Show with David Letterman saying that too many American lives had been “wasted” in the “4-year-old conflict” in Iraq. (Fox News, 2007: 1) The war became a major issue in his campaign, yet he had to adjust his tactics when the financial markets started their downturn. On the 28<sup>th</sup> of March in 2008, McCain gave a speech focused solely on the economy, as the crisis could no longer be ignored. He delivered his speech at a business group in Santa Ana, California, one of the states which were hit the hardest by the crisis. Because of the business background of his audience and the geographical location; Orange County, it is likely that his audience was Republican or at least Republican-friendly. The speech was not broadcasted on live television.

#### 2.2 Structure

Senator McCain decides to open his speech [see Appendix I for the full text] with no mention of the economy, but instead by stating the importance of his recent trip overseas. He refers to the state of affairs in the Middle East and Europe by saying: “I will have more to say on those important issues in the days and weeks to come.” (par. 1) As McCain continues he refrains from employing the word ‘crisis’ in his first five paragraphs only using it in the last sentence of his sixth paragraph.

After his introduction, McCain sticks to a basic problem and solution structure. He begins with explaining the creation of the bubble saying: “A bubble occurs when prices are driven up too quickly...” (par. 3) He explains this bubble by comparing it to another bubble that was formed in the late 1990s saying: “in the late 1990s we had the technology bubble, when money poured into technology stocks...” (par. 3)

Moving from the generalities to the causes, McCain uses specific numbers to back up previous claims he has made. He speaks of 80 million homeowners, of which 55 million do not have a mortgage and 51 million of those do as much as they can to “make their payments”. (par. 5) By specifying the actions citizens take, such as working a second job, not taking a vacation, McCain creates a more relatable picture for his voters. He poses the question of how the remaining mortgages, 4 million, can “cause this much trouble for us all?” (par. 5) By using a third person plural pronoun ‘us’ instead of a second person ‘you’, McCain makes himself part of the group that was affected by the crisis. He can relate to his voters, and he knows what is best for them as he is one of them.

After his explanation of the crisis, McCain moves to the second part of his speech containing his solutions. This is where McCain starts using first person pronouns. He starts saying “I will not play election year politics with the housing crisis.” (par. 10) This makes it clear that he is the one to take action for everyone who is affected by the crisis. There are other remarkable aspects to this sentence. Firstly, McCain distances himself from other candidates by claiming that he will not use 'election year politics'. This means that he will not express popular beliefs to gain 'easy' votes, perhaps a small stab at Obama. He creates a distance between him and Obama which is important to make

people understand the difference between both candidates before they decide who to vote for. (Slomp, 2008) Secondly, he limits the crisis to one area: housing. Where two sentences earlier, he referred to the crisis as hitting the “entire financial system”, now, when he is offering solutions, the crisis appears limited to the housing market. He contains the problem that he will now solve.

McCain goes on to offer some Republican beliefs that he holds. He says: “it is not the duty of the government to bail out...” (par. 11), consistent with the republican ideas of minimal interference from the government. McCain also says: “any assistance for borrowers should be focused solely on homeowners” and “any assistance must be temporary and must not reward people who were irresponsible”. (par. 12) All this is consistent with the republican values of hard work and self-management. (Slomp, 2008: 83) McCain stresses again that it is not the average citizen wanting loan that is responsible, instead it are the borrowers: “lenders who initiate loans should be held accountable...” (par. 14)

He also places his measures in the present. “I think we need to do two things right away.” Through this sense of urgency people are more likely to feel like they need to act, as something that should happen right now, will probably affect them. The two things he proposes are two meetings which will talk about the crisis. (par. 17-18) Even though, neither of the two will make actual changes, the proposition of the two feels like action. “First, it is time to convene a meeting of the nation’s accounting professionals to discuss the current mark to market accounting systems.” (par. 17) There should be a meeting according to McCain, yet he does not specify what he wants to get out of this meeting. Instead McCain moves on from his solutions, shortly commenting on taxes saying: “I

have spoken at length in other settings about the need to keep taxes low”. (par. 19) Speaking quasi-fallaciously, he pushes the burden of proof to a different time saying he has already covered this and therefore does not need to go into depths once again.

### **2.3 Framing**

McCain, running for the Republican Party, talks very little on the extensiveness of the crisis. As a member of the current party in power, he has to defend the policies that President Bush has created and the measures he took to attempt to deal with the financial crisis. He also has to defend the Republican idea that less government interference is best. To do so, McCain frames the crisis less negatively than it actually is. McCain does not use the word ‘crisis’ until the end of the 6<sup>th</sup> paragraph. Instead, he employs other words with less negative connotations such as: “round of upheaval”, “market turmoil” and “trouble”. (par.2; par. 5) None of these words invoke a national state of emergency which is invoked by the word crisis. (Tindall & ‘t Hart, 2009: 5) Besides this, a ‘crisis’ is generally accepted as something that spans a longer period of time in comparison to a “round of upheaval” is considered to be more short-term. This way, McCain downplays the crisis.

He also attempts to accomplish this by simplifying the causes of the financial downturn. In the second paragraph of his speech he says: “...the motivations and behaviors that caused the current crisis are not terribly complicated...”. Instead, what is complicated according to McCain is “the alphabet soup of financial instruments”. (par. 2) This complex part of the crisis however, is again played down by the senator as he refers to it as ‘alphabet soup’. This can be considered to be appropriate as alphabet soup

consists out of all mixed up letters. It is one big bowl of confusion. However, it also invokes an image of small children enjoying food, while at the same time learning something that is considered easy by most adults. The complexity of the crisis is compared through a metaphor to the learning of the alphabet.

McCain concludes with a comment from a real Republican perspective saying: “there is no government program or policy that is a substitute for a good job.” Again the minimal interference from the government shines through in his speech.

## **2.4 Style figures**

McCain is not known for his florid speeches adorned with style figures. This speech is no different. He explains the financial crisis and his solutions to the crisis using mostly logic. One of the few style figures that can be found in his speech is a metaphor. McCain says: “...the alphabet soup of financial instruments is complex.” (par. 2) As explained in the previous section of this chapter, McCain simplifies the financial instruments which were part of the cause of the crisis according to him. He compares them to alphabet soup; something confusing with mixed up letters, yet made for children. Through this metaphor McCain strengthens the frame of the crisis not being as complicated or as serious as people perceive it to be. He also implicates that the resolution of the crisis will be child’s play for him.

In paragraph 3 McCain starts with an explanation of what a housing bubble entails. He compares it to the, much smaller, internet bubble, with much lesser consequences: “We’ve seen this kind of bubble before – in the late 1990s...”. McCain does not specifically mention the effects yet by comparing the cause, he implies

comparable effects. This is a faulty analogy, comparing one to the other where there are only one or two similarities. A good analogy should be compared on many levels in order to produce a strong argumentative force. He also gives what should have been the prevention of the 'burst': market checks and balances. He refrains from explicitly stating that the crisis could have been prevented by this system, yet once again he implies it through word choice. "Our system of market checks and balances did not correct this until the bubble burst." The key word here is 'until'. This means that the market system corrected the bubble at the time it burst, instead of saying that it did not correct the system before the bubble burst.

### Chapter 3

#### Obama's Speech on the Economy, March 27<sup>th</sup> 2008

##### 2.1 Speech background

President Barack Obama was the Democratic candidate for presidency. The most important point of Obama's campaign was 'change' after eight years of Republican rule. The financial crisis seemed to fit into this idea as it indicated that change was needed to avoid worse. On March 27, 2008 Obama made a speech at Cooper Union in New York called 'Renewing the American Economy'. Several important members of financial institutions were there as well as the mayor of New York City at the time: Michael Bloomberg. Considering the business background of his audience, and the people that were present, members of Bloomberg's administration, we can assume that his audience was leaning more towards Republican values than Democratic ones.

##### 2.2 Structure

Obama opens his speech with a reference to Lincoln, a Republican, saying: "...the last time an Illinois politician made a speech here it was pretty good." (par. 2) Obama goes on, similar to McCain, to explain the crisis and how it got to this point. He blames a large part of the crisis at hand on the previous government. "Now the policies of the Bush administration threw the economy further out of balance." (par. 11) Obama can criticize the previous Republican government without harming his own Democratic party. By doing this, he creates greater difference between him and the previous government which, allegedly, landed America in the crisis it is in at this point. He continues to comment on

McCain's plan for the economy, which he links back to his comments on the Bush administration. "John McCain recently announced his own plan. And, unfortunately, it amounts to little more than watching this crisis unfold." (par. 17) Obama criticises his opponent without going into any detail. In his next sentence he becomes more personal saying: "While this is consistent with Senator McCain's determination to run for George Bush's third term..." (par. 18) Obama arguably commits an *Ad Hominem* fallacy here, comparing McCain's new ideas in his campaign to Bush's old policies and more personally comparing McCain to Bush.

Obama hides these attacks by moving on to his solution, the changes that he will make once in office, to bring the economy back to its original strength. In this part of his speech Obama becomes extremely clear and logical. He leaves out any metaphor and any style figure, giving full focus to his "six principles". (par. 28) He begins with principle number one: "First, if you can borrow from the government, you should be subject to government oversight and supervision." (par. 23) Obama sustains this claim with an authority source: "Secretary Paulson admitted this in his remarks yesterday." (par. 24) He moves passed all his principles in similar fashion: "Third, we need to streamline a framework of overlapping and competing regulatory agencies." (par. 24), and "Sixth, we need a process that identifies systemic risks to the financial system." (par. 26) These appear to be empty claims, yet Obama spends time after each claim to elaborate and explain his ideas. An instance of this is after his sixth principle he explains: "...we should create a financial market oversight commission, which would meet regularly and provide advice to the president, (...). These experts' views could help anticipate risks before they erupt into a crisis." (par. 27) Though Obama has no proof that this will actually work, he

elaborates on his plan providing details to his audience. This makes the plan more believable for his voters.

Obama goes on giving solutions to the problems. These range from very detailed: “To reward work and make retirement secure, we’ll provide an income tax of up to \$1,000 for a working family and eliminate income taxes altogether for any retiree bringing in less than \$50,000 per year.” (par. 41) to general claims: “We need policies that once again recognize that we are in this together.” (par. 38) By interchanging these different approaches Obama creates one plan that is detailed enough to be tangible and realistic and at the same time has general claims to cover everything that is going on in the American economy.

### **2.3 Framing**

In this speech Obama focuses on the economic trouble the country is in, and even though he does not shy away from using big impact words such as ‘crisis’ and ‘recession’, he frames the crisis as another episode in American history.

Obama starts this frame at the very beginning of his speech saying: “...the last time an Illinois politician made a speech here it was pretty good.” (par. 2) Though it does not refer to any economic speech, it does contribute to the general frame of a step in history. Obama continues his speech with another historical reference that grounds his speech rhetorically and persuasively in the kairos of ‘place’. “In a city of landmarks, we meet at Cooper Union, just uptown from Federal Hall, where George Washington took the oath of office as the first president of the United States.” (par. 9) and “With all the history that’s passed through the narrow canyons of Lower Manhattan, it’s worth taking a

moment to reflect on the role that the market has played in the development of the American story.” (par. 9) The role of the market in the American history comes across as important, as Obama takes time to reflect on its role in America’s development. Obama illustrates the struggle between the republican idea of no government interference and the democratic perspective of the government as a safe-keeper of the people by linking this back to the creation of the Constitution. “The great task before our founders was putting into practice the ideal that government could simultaneously serve liberty and advance the common good.” (par. 9) The balancing act that still happens in the government today already existed during the first years of the United States of America. It has led the economy to create “a prosperity that is the envy of the world.” (par. 9) Yet this would not have been possible without the democratic government interference: “But the American experiment has worked in large part because we guided the market’s invisible hand with a higher principle.” (par. 10) Obama acknowledges the need for both perspectives in the government, yet stresses that the democratic approach is the necessary approach for the economic plans to work.

Obama paints the current economic crisis in two different historical lights. First, he shows that this crisis is just another step in history. “The concentrations of economic power and the failures of our political system to protect the American economy and American consumers from its worst excesses have been a staple of our past: most famously in the 1920s, when such excesses ultimately plunged the country into the Great Depression.” (par. 10) The country was able to emerge from that crisis through government help. “That is when government stepped in to create a series of regulatory structures, ..., to protect the American people and the American business.” (par. 10)

Again, Obama promotes the democratic approach to the crisis; for the government to step in and take action. It has been proven that it works in the 1920s and 1930s, so why would it not work now? He uses historical proof to back up his case for government interference in the economy. As Obama puts it: “Our history should give us confidence that we don't have to choose between an oppressive government-run economy and a chaotic, unforgiving capitalism.” (par. 15) He gives his audience a clear difference between the extreme left-wing idea of a government-run economy and the extreme right-wing idea of unforgiving capitalism, a completely free market. Obama says that ‘we’ do not have to choose between those two extremes. He paints a picture for his audience where he is in the middle, he takes something from both sides to create the perfect economy model. However, he does not elaborate on this. Instead he says: “It tells us we can emerge from great economic upheavals stronger, not weaker.” (par. 15) History gives the citizens faith that it will get better.

The second light that Obama puts the crisis in is that of the American dream. A dream which consists of everyone being able to become successful; a paperboy can become a millionaire. Obama claims that without the American dream, economic success is impossible: “The bedrock of our economic success is the American dream.” (par. 32) People need to dream of achieving success to make that success reality. This links back to Obama’s main campaign idea; believing in change. However, the dream is endangered by the crisis at hand. “But today, for far too many Americans, this dream is slipping away.” (par. 34) Like the American dream paved the way for economic success, now the economic failures are threatening the American dream. Previous administrations have not been giving the citizens what they need to keep believing, to keep dreaming. “...I talked

about the need to put the policies of George W. Bush behind us, policies that have essentially said to the American people, “You are on your own.”” (par. 36-37) Obama is the one that will bring change to the economy and through this, remove the threat against the American dream.

In the final part of his speech he ties these two frames together. “That’s why our economy hasn’t just been the world’s greatest wealth creator, it’s bound America together, it’s created jobs and it’s made the dream of opportunity a reality for generations.” (par. 49) The dream has become reality through the creation of the United States, through the strong economy that this Union created. And now, this economy and with it the American dream are in danger. Therefore, as Obama does, the people have to take action. “We have as our inheritance the greatest economy the world has ever known. We have the responsibility to continue the work that began on that spring day over two centuries ago right here in Manhattan, to renew our common purpose for a new century and to write the next chapter in the story of America’s success.” (par. 50)

## **2.4 Style figures**

Obama is known for speeches that appear to be filled with style figures. However, in his speech in the economy, Obama is quite careful with using these. It appears that he wants his plans to speak for themselves. In fact, when Obama speaks of his plans he does not employ style figures, but instead focuses on what has to happen. When explaining the crisis though, Obama makes it understandable to the electorate by employing style figures.

One style figure that keeps returning in his speech is a metonymy: "...a market that favors Wall Street over Main Street, but ends up hurting both." (par. 10) Wall Street represents the financial sector, Main Street represents the average American citizens. Those who are affected by the crisis yet who do not know exactly what happened, and what caused this recession. Obama uses this metonymy as a returning factor in his speech, again in paragraph 12: "What was bad for Main Street turned out to be bad for Wall Street. Pain trickled up." Main Street and Wall Street have to work together according to Obama. But it also seems that Obama does not place any blame on either of the interest groups. In paragraph 10 he says that the market favoured Wall Street over Main Street, then in paragraph 12 he says that what hurt Main Street also ended up hurting Wall Street. The pain started in the average American family and 'trickled up' to the brokers working in the financial sector. By not placing blame on anyone in particular, Obama keeps his options open with both sides. If he were to blame Wall Street for what happened, changes are that he would lose their votes, yet blaming Main Street would result in the loss of their votes.

Obama also uses style figures when he talks about what sent the economy into this crisis. According to him, "We let special interests put their thumbs on the economic scales." (par. 10) and "Instead, it was the hand of industry lobbyists tilting the playing field in Washington..." (par. 11) By employing metonymy and metaphors – the economic scales and the playing field – Obama remains vague about who exactly is to blame and what they did wrong. Again he refrains from pointing the finger and thereby eliminating a group of voters. He also compares the government to a game, a playing field. He implies that governing a nation is a contest, a play where the strongest win, something that he

will change once in office. Further in paragraph 11, Obama once more refrains from exactness: “When subprime mortgage lending took a reckless and unsustainable turn, a patchwork of regulators were unable or unwilling to protect the American people.” (par. 11) A ‘patchwork of regulators’ were the once that were supposed to protect the American people yet were unable or unwilling. But who are those regulators? Are they part of the government or are they private workers? By using the metaphor of a patchwork, Obama creates an image of regulators – whoever they are – that are pulled together from different places. Different people who were put together without having much to do with each other, those are the people that were supposed to help the Americans. It almost appears to be another criticism of the previous administration, yet hidden in metaphors.

Obama also employs style figures to avoid having to speak fully on the topic at hand. “The details of regulatory reform should be developed through sound analysis and public debate. And so I won’t try to cross every “t” and dot every “i” in this speech.” (par. 23) Obama uses this dead metaphor to inform his voters that he will not be going into detail on every aspect of his plan. Obama uses claims to authority, saying that only through sound analysis and expert help, the crisis can be solved. When he speaks of McCain’s plan he says: “His main proposal, extending tax cuts for the wealthiest Americans, is completely divorced from reality, the reality that people are facing around the country.” (par. 16) McCain’s proposal cannot be good for the citizens of America because he is ‘divorced’ from reality. Obama uses a metaphor here, comparing a good proposal to a good marriage; close to reality and in contact with the people. McCain’s plan is divorced, no longer in touch with the real problems that the country and its citizens are facing. Obama’s own proposals are the ones that will solve the problems. “I

have laid out far-reaching plans that I intend to sign into law as president to bring transparency to government and to end the revolving door between industries and the federal agencies that oversee them.” (par. 31) The revolving door is a metaphor here for the interaction between industries and their overseeing federal agencies. The revolving door is only accessible for those people therefore it can be considered to be not working properly. Because of this lack of accessibility it is hard to check on the proposals that are made here. Obama will change this door and bring transparency to the government. He will bring change.

## Chapter 6

### Comparison and Discussion

Obama and McCain were both faced with one of the worst economic situations since the Great Depression. They had to convince the American voting public that they would be the one able to bring an end to the recession that had hit the United States. Throughout the course of this thesis I have compared two speeches by McCain and Obama. The two – one from Obama and one from McCain – were given at the end of March 2008, respectively the 27<sup>th</sup> and the 25<sup>th</sup>. They were solely focused on the economy and therefore gave a good view of what both candidates had to say about the crisis and how they portrayed the economic situation to their audiences. It also allows us to compare their rhetorical strategies.

McCain did not attest to the magnitude of the crisis. He refrained from using the word crisis until the 6<sup>th</sup> paragraph where he says: “Capital markets work best when there is both accountability and transparency. In the case of our current crisis, both were lacking.” Overall, McCain downplays the crisis throughout this speech, choosing words like “trouble” and “round of upheaval” to describe the crisis. This is opposed to Obama, who in his speech uses words such as “crisis” and claims the losses of the American people will be “in the many hundreds of billions”. (par. 15; par. 12) McCain uses simplistic ideas to explain the causes of the crisis, comparing it to alphabet soup. In doing so he creates a sense of ease with which the economic situation will soon change for the better. This might be partly due to the fact that he is following a member of his own party, and he cannot be too tough on the previous administration. He will be somewhat similar

ideologically because he is, just like George W. Bush, part of the Republican Party. Obama on the other hand can be as he needs to be. Obama blames a major part of the crisis on the current government not doing its job properly. However, this is not what Obama spends most of his time on. The majority of his speech puts the crisis in an historical light. Through framing and through a long introduction about the foundations of the United States of America, Obama makes the crisis appear to be just one more step in the story of the American dream. As he says: “the bedrock of our economic success is the American dream”. (par. 32) To achieve that dream, that dream that everyone can do what they set their mind to, the American people have to overcome this crisis as a nation and emerge stronger on the other side.

As far as their rhetorical strategies go, McCain and Obama do not differ that much. Stylistically speaking, they both employed a similar number of style figures, only different ones. Both candidates mostly used metaphors and analogies, with Obama also employing metonymies. Neither of them used many style figures here, probably because these were speeches solely focused on the economy, and both were quite technical. When it comes to framing, the more effective candidate seems to have been McCain, as he uses more frames in his speech. Where Obama’s main, and perhaps only, frame is history, McCain uses framing to downplay the economic crisis. This could be due to the fact that the Republican party has a long history of using think tanks and strategists to come up with frames for major issues such as the economy or health care. (Lakoff, 2004: 53; Meacham, 1994: 1)

So overall, the more rhetorically convincing speech on paper was given by McCain, he used more style figures, better frames and uses the structure of the speech to downplay the crisis. However, the speeches, as they appear on paper, are not everything. McCain's delivery was much worse than Obama's, and as is widely known, delivery, the fifth and final canon of rhetoric, is a large part of making a speech rhetorically convincing. Indeed, Demosthenes, reputed to be the greatest speaker of all time, noted almost 2500 year ago that the three most important aspects of a good persuasive speech are delivery, delivery and delivery. In a study conducted in 2009 in Italy it was shown that hand gestures also positively influenced the persuasiveness of a speech. (Maricchiolo, Gnisci, Bonaiuto & Ficca, 2009: 257) Obama is a more fluent speaker who uses more hand gestures, whereas McCain mostly holds on to the stand in front of him. Therefore, McCain might have been more convincing on paper, but in reality, Obama had the more rhetorically convincing speech.

## **Chapter 7**

### **Conclusion**

This thesis set out to discover how the two US presidential candidates dealt with the looming crisis in two of their speeches. It also sought to chart some of the rhetorical strategies they used in those speeches and reflect on how effective they might have been. It will be self evident that no definitive conclusions can be drawn from a study as short as this one. Perhaps a longer follow-up study that considers more texts, employing a more detailed analytic strategy and perhaps deploying some reader response experiments may go some way towards shedding more light on the persuasive nature of US presidential oratory on the current economic crisis.

The question remains how much impact these speeches actually had on the voting public in the United States. Were people really persuaded by these speeches or did they have a preconceived notion of who would be the better president? Without a solid response survey it is difficult to say. This research could be extended in this field, by examining public response in news outlets, or having audiences fill out questionnaires. Either way, both candidates portrayed the crisis in their own ways, one more historical, one more technical, but in the end both focused on the personal issues every American faced in the nation. Whether all the style figures both candidates employed were picked up on by the audiences and had the effect that was most likely intended is difficult to say without the corresponding empirical data. But we can say that both candidates stayed true

to the ideas and perspectives of their own party, whether Republican or Democratic, their ideas can be reconstructed through their portrayal of the economic crisis.

In sum, this thesis has not proven anything substantial. However, what it might have done is highlight the significant effects of rhetoric in persuasive speeches and show how such an ancient system is just as valid in the contemporary world as it was back then, whether it be employed for composition purposes, as politicians and speech writers do, or for analytic ones, as academics do.

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## Appendix I

John McCain's Speech on the Economy of March 25, 2008

*Following is the text of the prepared remarks of Senator John McCain, as provided by his campaign.*

1. Thank you for joining me here today. I just returned from a trip overseas that included assessing the state of affairs in Iraq, the Middle East, and Europe. I will have more to say on those important issues in the days and weeks to come.
2. While I was traveling overseas, our financial markets experienced another round of upheaval. This market turmoil leaves many Americans feeling both concerned and angry. People see the value of their homes fall at the same time that the price of gasoline and food is rising. Already tight household budgets are getting tighter. A lot of Americans read the headlines about credit crunches and liquidity crises and ask: "How did we get here?" In the end, the motivation and behaviors that caused the current crisis are not terribly complicated, even though the alphabet soup of financial instruments is complex. The past decade witnessed the largest increase in home ownership in the past 50 years. Home ownership is part of the American dream, and we want as many Americans as possible to be able to afford their own home. But in the process of a huge, and largely positive, upturn in home construction and ownership, a housing bubble was created.
3. A bubble occurs when prices are driven up too quickly, speculators move into markets, and these players begin to suspend the normal rules of risk and assume that prices can only move up - but never down. We've seen this kind of bubble before - in the late 1990s, we had the technology bubble, when money poured into technology stocks and people assumed that those stock values would rise indefinitely. Between 2001 and 2006, housing prices rose by nearly 15 percent every year. The normal market forces of people buying and selling their homes were overwhelmed by rampant speculation. Our system of market checks and balances did not correct this until the bubble burst.
4. A sustained period of rising home prices made many home lenders complacent, giving them a false sense of security and causing them to lower their lending standards. They stopped asking basic questions of their borrowers like "can you afford this home? Can you put a reasonable amount of money down?" Lenders ended up violating the basic rule of banking: don't lend people money who can't pay it back. Some Americans bought homes they couldn't afford, betting that rising prices would make it easier to refinance later at more affordable rates. There are 80 million family homes in America and those homeowners are now facing the reality that the bubble has burst and prices go down as well as up.
5. Of those 80 million homeowners, only 55 million have a mortgage at all, and 51 million are doing what is necessary - working a second job, skipping a vacation, and managing their budgets - to make their payments on time. That leaves us with a puzzling situation: how could 4 million mortgages cause this much trouble for us all?
6. The other part of what happened was an explosion of complex financial instruments that weren't particularly well understood by even the most sophisticated banks, lenders and hedge funds. To make matters worse, these instruments - which basically bundled together mortgages and sold them to others to spread risk throughout our capital markets

- were mostly off-balance sheets, and hidden from scrutiny. In other words, the housing bubble was made worse by a series of complex, inter-connected financial bets that were not transparent or fully understood. That means they weren't always managed wisely because people couldn't properly quantify the risk or the value of these bets. And because these instruments were bundled and sold and resold, it became harder and harder to find and connect up a real lender with a real borrower. Capital markets work best when there is both accountability and transparency. In the case of our current crisis, both were lacking.

7. Because managers did not fully understand the complex financial instruments and because there was insufficient transparency when they did try to learn, the initial losses spawned a crisis of confidence in the markets. Market players are increasingly unnerved by the uncertainty surrounding the level of risk, liability and loss currently in the financial system. Banks no longer trust each other and are increasingly unwilling to put their money to work. Credit is drying up and liquidity is now severely limited – and small business and hard-working families find themselves unable to get their usual loans.

8. The net result is the crisis we face. What started as a problem in subprime loans has now convulsed the entire financial system.

9. Let's start with some straight talk:

10. I will not play election year politics with the housing crisis. I will evaluate everything in terms of whether it might be harmful or helpful to our effort to deal with the crisis we face now.

11. I have always been committed to the principle that it is not the duty of government to bail out and reward those who act irresponsibly, whether they are big banks or small borrowers. Government assistance to the banking system should be based solely on preventing systemic risk that would endanger the entire financial system and the economy.

12. In our effort to help deserving homeowners, no assistance should be given to speculators. Any assistance for borrowers should be focused solely on homeowners, not people who bought houses for speculative purposes, to rent or as second homes. Any assistance must be temporary and must not reward people who were irresponsible at the expense of those who weren't. I will consider any and all proposals based on their cost and benefits. In this crisis, as in all I may face in the future, I will not allow dogma to override common sense.

13. When we commit taxpayer dollars as assistance, it should be accompanied by reforms that ensure that we never face this problem again. Central to those reforms should be transparency and accountability.

14. Homeowners should be able to understand easily the terms and obligations of a mortgage. In return, they have an obligation to provide truthful financial information and should be subject to penalty if they do not. Lenders who initiate loans should be held accountable for the quality and performance of those loans and strict standards should be required in the lending process. We must have greater transparency in the lending process so that every borrower knows exactly what he is agreeing to and where every lender is required to meet the highest standards of ethical behavior.

15. Policies should move toward ensuring that homeowners provide a responsible down payment of equity at the initial purchase of a home. I therefore oppose reducing the down payment requirement for FHA mortgages and believe that, as conditions allow, the down

payment requirement should be raised. So many homeowners have found themselves owing more than their home is worth, because many never had much equity in the house to begin with. When conditions return to normal, GSEs (Government Sponsored Enterprises) should never insure loans when the homeowner clearly does not have skin in the game.

16. In financial institutions, there is no substitute for adequate capital to serve as a buffer against losses. Our financial market approach should include encouraging increased capital in financial institutions by removing regulatory, accounting and tax impediments to raising capital.

17. I am prepared to examine new proposals and evaluate them based on these principals. But I think we need to do two things right away. First, it is time to convene a meeting of the nation's accounting professionals to discuss the current mark to market accounting systems. We are witnessing an unprecedented situation as banks and investors try to determine the appropriate value of the assets they are holding and there is widespread concern that this approach is exacerbating the credit crunch.

18. We should also convene a meeting of the nation's top mortgage lenders. Working together, they should pledge to provide maximum support and help to their cash-strapped, but credit worthy customers. They should pledge to do everything possible to keep families in their homes and businesses growing. Recall that immediately after September 11, 2001 General Motors stepped in to provide 0 percent financing as part of keeping the economy growing. We need a similar response by the mortgage lenders. They've been asking the government to help them out. I'm now calling upon them to help their customers, and their nation out. It's time to help American families.

19. More important than the events of the past is the promise of the future. The American economy is resilient and diverse. Even as financial troubles weigh upon it other parts of the economy hold up or even continue to grow. I have spoken at length in other settings about the need to keep taxes low on our families, entrepreneurs, and small businesses; to make the tax code simpler and fair by eliminating the Alternative Minimum Tax that the middle class was never intended to pay; to improve the ability of our companies to compete by reducing our corporate tax rate, which today are the second highest rates in the world; to provide investment incentives; to control rising health care costs that threaten the budgets of our businesses and families; to improve education and training programs; and to ensure our ability to sell to the 95 percent of the world's customers that lie outside U.S. borders.

20. These are important steps to strengthen the foundations of the millions of businesses small and large that provide jobs for American workers. There is no government program or policy that is a substitute for a good job. These steps would also strengthen the U.S. dollar and help to control the rising cost of living that hurts our families. These are important issues in this campaign and the debate with my Democrat rivals. But I will get my chance to talk further another day. Now I look forward to hearing from our small business owners – the very lifeblood of our economy.

## Appendix II

Barack Obama's Speech on the Economy of March 27, 2008

*Following is the transcript of Barack Obama's economic speech at Cooper Union in New York, as provided by CQ Transcriptions Inc.*

1. Thank you so much for being here.
2. Let me begin by thanking Dr. Drucker and Cooper Union for hosting us here today. I have to say that the last time an Illinois politician made a speech here it was pretty good. So...  
(LAUGHTER)
3. ... the bar is high. And I -- I want everybody to know right at the outset here that this may not be living for generations to come, the way Lincoln's speech did. I want to thank all our elected supporters who are here. I want to -- there are a couple of special guests that I'm very appreciative for being in attendance: Paul Volcker, the former chairman of the Federal Reserve Board...  
(APPLAUSE)
4. We appreciate his presence. William Donaldson, the former chairman of the U.S. Securities and Exchange Commission. We thank you. And finally I want to thank the mayor of this great city, mayor Bloomberg, for his extraordinary leadership. At a time...  
(APPLAUSE)
5. At a time when Washington is divided in old ideological battles, he shows us what can be achieved when we bring people together to seek pragmatic solutions. Not only has he been a remarkable leader for New York, he's established himself as a major voice in our national debate on issues like renewing our economy, educating our children and seeking energy independence. So, Mr. Mayor, I share your determination to bring this country together, to finally make progress for the American people. And I have to tell you that the reason I bought breakfast is because I expect payback at something more expensive.  
(LAUGHTER)
6. I -- the mayor -- I'm no dummy.  
(LAUGHTER)
7. The mayor was a cheap date that morning...  
(LAUGHTER)
8. ... and I figured there's some good steakhouses here in New York.  
(LAUGHTER)
9. In a city of landmarks, we meet at Cooper Union, just uptown from Federal Hall, where George Washington took the oath of office as the first president of the United States. With all history that's passed through the narrow canyons of Lower Manhattan, it's worth taking a moment to reflect on the role that the market has played in the development of the American story. The great task before our founders was putting into practice the ideal that government could simultaneously serve liberty and advance the common good. For Alexander Hamilton, the young secretary of the treasury, that task was bound to the vigor of the American economy. Hamilton had a strong belief in the power of the market, but he balanced that belief with a conviction that human enterprise, and I quote, "may be beneficially stimulated by prudent aids and encouragements on the part of the government." Government, he believed, had an important role to play in advancing our common prosperity. So he nationalized the state Revolutionary War debts, weaving

together the economies of the states and creating an American system of credit and capital markets. And he encouraged manufacturing and infrastructure, so products could be moved to market. Hamilton met fierce opposition from Thomas Jefferson, who worried that this brand of capitalism would favor the interests of the few over the many. Jefferson preferred an agrarian economy, because he believed that it would give individual landowners freedom and that this freedom would nurture our democratic institutions. But despite their differences, there was one thing that Jefferson and Hamilton agreed on: that economic growth depended upon the talent and ingenuity of the American people; that in order to harness that talent, opportunity had to remain open to all; and that through education in particular, every American could climb the ladder of social and economic mobility and achieve the American dream. In the more than two centuries since then, we've struggled to balance the same forces that confronted Hamilton and Jefferson.: self-interest and community, markets and democracy, the concentration of wealth and power and the necessity of transparency and opportunity for each and every citizen. Throughout this saga, Americans have pursued their dreams within a free market that has been the engine of America's progress. It's a market that's created a prosperity that is the envy of the world, and opportunity for generations of Americans; a market that has provided great rewards to innovators and risk-takers who've made America a beacon for science and technology and discovery.

10. But the American experiment has worked in large part because we guided the market's invisible hand with a higher principle. A free market was never meant to be a free license to take whatever you can get, however you can get it. That's why we've put in place rules of the road: to make competition fair and open, and honest. We've done this not to stifle but rather to advance prosperity and liberty. As I said at Nasdaq last September, the core of our economic success is the fundamental truth that each American does better when all Americans do better; that the well-being of American business (OOC:ARBU) , its capital markets and its American people are aligned. I think that all of us here today would acknowledge that we've lost some of that sense of shared prosperity. Now, this loss has not happened by accident. It's because of decisions made in board rooms, on trading floors and in Washington. Under Republican and Democratic administrations, we've failed to guard against practices that all too often rewarded financial manipulation instead of productivity and sound business practice. We let the special interests put their thumbs on the economic scales. The result has been a distorted market that creates bubbles instead of steady, sustainable growth; a market that favors Wall Street over Main Street, but ends up hurting both. Nor is this trend new. The concentrations of economic power and the failures of our political system to protect the American economy and American consumers from its worst excesses have been a staple of our past: most famously in the 1920s, when such excesses ultimately plunged the country into the Great Depression. That is when government stepped in to create a series of regulatory structures, from FDIC to the Glass-Steagall Act, to serve as a corrective, to protect the American people and American business. Ironically, it was in reaction to the high taxes and some of the outmoded structures of the New Deal that both individuals and institutions in the '80s and '90s began pushing for changes to this regulatory structure. But instead of sensible reform that rewarded success and freed the creative forces of the market, too often we've excused and even embraced an ethic of greed, corner cutting, insider dealing, things that have always threatened the long-term stability of our

economic system. Too often we've lost that common stake in each other's prosperity. Now, let me be clear. The American economy does not stand still and neither should the rules that govern it. The evolution of industries often warrants regulatory reform to foster competition, lower prices or replace outdated oversight structures. Old institutions cannot adequately oversee new practices. Old rules may not fit the roads where our economy is leading. So there were good arguments for changing the rules of the road in the 1990s. Our economy was undergoing a fundamental shift, carried along by the swift currents of technological change and globalization. For the sake of our common prosperity, we needed to adapt to keep markets competitive and fair. Unfortunately, instead of establishing a 21st century regulatory framework, we simply dismantled the old one, aided by a legal but corrupt bargain in which campaign money all too often shaped policy and watered down oversight. In doing so we encouraged a winner take all, anything goes environment that helped foster devastating dislocations in our economy. Deregulation of the telecommunications sector, for example, fostered competition, but also contributed to massive over-investment.

11. Partial deregulation of the electricity sector enabled (inaudible). Companies like Enron and WorldCom took advantage of the new regulatory environment to push the envelope, pump up earnings, disguise losses and otherwise engage in accounting fraud to make their profits look better, a practice that led investors to question the balance sheets of all companies and severely damaged public trust in capital markets. This was not the invisible hand at work. Instead, it was the hand of industry lobbyists tilting the playing field in Washington as well as an accounting industry that had developed powerful conflicts of interest and a financial sector that had fueled over-investment. A decade later we have deregulated the financial sector and we face another crisis. A regulatory structure set up for banks in the 1930s needed to change, because the nature of business had changed. But by the time the Glass-Steagall Act was repealed in 1999, the \$300 million lobbying effort that drove deregulation was more about facilitating mergers than creating an efficient regulatory framework. And since then we've overseen 21st century innovation, including the aggressive introduction of new and complex financial instruments like hedge funds and non-bank financial companies, with outdated 20th century regulatory tools. New conflicts of interest recalled the worst excesses of the past, like the outrageous news that we learned just yesterday of KPMG allowing a lender to report profits instead of losses so that both parties could make a quick buck. Not surprisingly, the regulatory environment failed to keep pace. When subprime mortgage lending took a reckless and unsustainable turn, a patchwork of regulators were unable or unwilling to protect the American people. Now, the policies of the Bush administration threw the economy further out of balance. Tax cuts without end for the wealthiest Americans. A trillion dollar war in Iraq that didn't need to be fought, paid for with deficit spending and borrowing from foreign creditors like China. A complete...

(APPLAUSE)

12. A complete disdain for pay-as-you-go budgeting, coupled with a generally scornful attitude toward oversight and enforcement, allowed far too many to put short-term gain ahead of long-term consequences. The American economy was bound to suffer a painful correction, and policy-makers found themselves with fewer resources to deal with the consequences. Today those consequences are clear. I see them in every corner of our great country as families face foreclosure and rising costs. I see them in towns across

America, where a credit crisis threatens the ability of students to get loans and states can't finance infrastructure projects. I see them here in Manhattan, where one of our biggest investment banks had to be bailed out and the Fed opened its discount window to a host of new institutions with unprecedented implications that we have yet to appreciate. When all is said and done, losses will be in the many hundreds of billions. What was bad for Main Street turned out to be bad for Wall Street. Pain trickled up. And that...

(APPLAUSE)

13. ... and that's why -- that's why the principle that I spoke about at NASDAQ last September is even more urgently true today. In our 21st century economy, there is no dividing line between Main Street and Wall Street.

14. The decisions made in New York's high rises have consequences for Americans across the country. And whether those Americans can make their house payments, whether they keep their jobs or spend confidentially without falling into debt, that has consequences for the entire market. The future cannot be shaped by the best-connected lobbyists with the best record of raising money for campaigns. This...

(APPLAUSE)

15. This thinking is wrong for the financial sector and it's wrong for our country. I do not believe the government should stand in the way of innovation or turn back the clock on an older era of regulation. But I do believe that government has a role to play in advancing our common prosperity, by providing stable macroeconomic and financial conditions for sustained growth, by demanding transparency and by ensuring fair competition in the marketplace. Our history should give us confidence that we don't have to choose between an oppressive government-run economy and a chaotic, unforgiving capitalism. It tells us we can emerge from great economic upheavals stronger, not weaker. But we can only do so if we restore confidence in our markets, only if we rebuild trust between investors and lenders, and only if we renew that common interest between Wall Street and Main street that is the key to our long-term success. Now, as most experts agree, our economy is in a recession. To renew our economy and to ensure that we are not doomed to repeat a cycle of bubble and bust again and again and again, we need to address not only the immediate crisis in the housing market, we also need to create a 21st-century regulatory framework and we need to pursue a bold opportunity agenda for the American people.

16. Most urgently, we have to confront the housing crisis. After months of inaction, the president spoke here in New York and warned against doing too much. His main proposal, extending tax cuts for the wealthiest Americans, is completely divorced from reality, the reality that people are facing around the country.

(APPLAUSE)

17. John McCain recently announced his own plan. And, unfortunately, it amounts to little more than watching this crisis unfold.

(LAUGHTER)

18. While this is consistent with Senator McCain's determination to run for George Bush's third term...

(LAUGHTER)

(APPLAUSE)

19. ... it won't help families that are suffering and it won't help lift our economy out of recession. Over 2 million households are at risk of foreclosure. Millions more have seen their home values plunge. Many Americans are walking away from their homes, which hurts property values for entire neighborhoods and aggravates the credit crisis. To stabilize the housing market and to help bring the foreclosure crisis to an end, I've sponsored Senator Chris Dodd's legislation creating a new FHA housing security program, which will provide meaningful incentives for lenders to buy or refinance existing mortgages. This will allow Americans facing foreclosure to keep their homes at rates that they can afford. Now, Senator McCain argues that government should do nothing to protect borrowers and lenders who've made bad decisions or taken on excessive risk.

20. And on this point I agree. But the Dodd-Frank package is not a bailout for lenders or investors who gambled recklessly; they will take their losses. It's not a windfall for borrowers, as they will have to share any capital gain. Instead, it offers a responsible and fair way to help bring an end to the foreclosure crisis. It asks both sides to sacrifice, while preventing a long-term collapse that could have enormous ramifications for the most responsible lenders and borrowers, as well as the American people as a whole. That's what Senator McCain ignores. For homeowners who are victims of fraud, I've also proposed a \$10 billion foreclosure prevention fund that would help them sell a home that is beyond their means or modify their loan to avoid foreclosure or bankruptcy. It's also time to amend our bankruptcy laws so families aren't forced to stick to the terms of a home loan that was predatory or unfair. (APPLAUSE)

21. To prevent fraud in the future, I've proposed tough new penalties on fraudulent lenders and a home-score system that will allow consumers to find out more about mortgage offers and whether they'll be able to make payments. To help low- and middle-income families, I proposed a 10 percent mortgage interest tax credit that will allow homeowners who don't itemize their taxes to access incentives for homeownership. And to expand homeownership, we must do more to help communities turn abandoned properties into affordable housing. The government can't do this alone, nor should it. As I said last September, lenders must get ahead of the curve rather than just react to the crisis. They should actively look at all borrowers, offer workouts and reduce the principal on mortgages in trouble. Not only can this prevent the larger losses associated with foreclosure and resale, but it can reduce the extent of government intervention and taxpayer exposure. But beyond dealing with the immediate housing crisis, it is time for the federal government to revamp the regulatory framework dealing with our financial markets.

(APPLAUSE)

22. Our capital markets have helped us build the strongest economy in the world. They are the source of competitive advantage for our country.

23. But they cannot succeed without the public's trust. The details of regulatory reform should be developed through sound analysis and public debate. And so I won't try to cross every "t" and dot every "i" in this speech. But there are several core principles for reform that I intend to pursue as president. First, if you can borrow from the government, you should be subject to government oversight and supervision.

(APPLAUSE)

24. Secretary Paulson admitted this in his remarks yesterday. The Federal Reserve should have basic supervisory authority over any institution to which it may make credit available as a lender of last resort. When the Fed steps in, it is providing lenders an insurance policy underwritten by the American taxpayer. In return, taxpayers have every right to expect that these institutions are not taking excessive risks. Now, the nature of regulation should depend on the degree and extent of the Fed's exposure. But, at the very least, these new regulations should include liquidity and capital requirements. Second, there needs to be general reform of the requirements to which all regulated financial institutions are subjected. Capital requirements should be strengthened, particularly for complex financial instruments like some of the mortgage securities that led to our current crisis. We must develop and rigorously manage liquidity risks. We must investigate ratings agencies and potential conflicts of interest with the people that they are rating. And transparency requirements must demand full disclosure by financial institutions to shareholders and counter parties. As we reform our regulatory system at home, we should work with international arrangements, like the Basel Committee on Banking Supervision, the International Accounting Standards Board, and the Financial Stability Forum, to address the same problems abroad.

25. The goal should be to ensure that financial institutions around the world are subject to similar rules of the road, both to make the system more stable and to keep our financial institutions competitive. Third, we need to streamline a framework of overlapping and competing regulatory agencies. Reshuffling bureaucracies should not be an end in itself. But the large, complex institutions that dominate the financial landscape don't fit into categories created decades ago. Different institutions compete in multiple markets. Our regulatory system should not pretend otherwise. A streamlined system will provide better oversight and be less costly for regulated institutions. Fourth, we need to regulate institutions for what they do, not what they are. Over the last few years, commercial banks and thrift institutions were subject to guidelines on subprime mortgages that did not apply to mortgage brokers and companies. Now, it makes no sense for the Fed to tighten mortgage guidelines for banks when two-thirds of subprime mortgages don't originate from banks. This regulatory framework... (APPLAUSE)

26. This regulatory framework has failed to protect homeowners and it is now clear that it made no sense for our financial system. When it comes to protecting the American people, it should make no difference what kind of institution they are dealing with. Fifth, we must remain vigilant and crack down on trading activity that crosses the line to market manipulation. On recent days, reports have circulated that some traders may have intentionally spread rumors that Bear Stearns (NYSE:BSC) was in financial distress while making market bets against the country. The SEC should investigate and punish this kind of market manipulation and report its conclusions to Congress. Sixth, we need a process that identifies systemic risks to the financial system.

27. Too often we deal with threats to the financial system that weren't anticipated by regulators. That's why we should create a financial market oversight commission, which would meet regularly and provide advice to the president, Congress and regulators on the state of our financial markets and the risks that face them. These experts' views could help anticipate risks before they erupt into a crisis.

28. These six principles should guide the legal reforms needed to establish a 21st-century regulatory system, but the changes we need goes beyond the laws and regulation. We

need a shift in the cultures of our financial institutions and our regulatory agencies. Financial institutions have to do a better job at managing risk. There is something wrong when board of directors or senior managers don't understand the implications of the risks assumed by their own institutions. It's time to realign incentives and the compensation packages so that both high-level executives and employees better serve the interests of shareholders. And it's time to confront the risks that come with excessive complexity.

29. Even the best government regulation cannot fully substitute for internal risk management. For supervisory agencies, oversight has to keep pace with innovation. As the subprime crisis unfolded, tough questions about new and complex financial instruments were not asked. As a result, the public interest was not protected. We do American business and the American people no favors when we turn a blind eye to excessive leverage and dangerous risks. And finally, the American people must be able to trust that their government is looking out for all of us, not just those who donate to political campaigns. I...

(APPLAUSE)

30. I fought in the Senate for the most extensive ethics reforms since Watergate, and we got those passed.

(APPLAUSE)

31. I've refused contributions from federal lobbyists and PACs. I have laid out far-reaching plans that I intend to sign into law as president to bring transparency to government and to end the revolving door between industries and the federal agencies that oversee them.

Once...

(APPLAUSE)

32. Once we deal with the immediate crisis in housing and strengthen the regulatory system governing our financial markets, we have to make government responsive once again to all of the American people. And our final task, in fact, is to make sure that opportunity is available to all Americans. You know, the bedrock of our economic success is the American dream. It's a dream shared in big cities and small towns, across races, regions and religions, that, if you work hard, you can support a family; that if you get sick, there will be health care that you can afford; that you can retire... (APPLAUSE)

33. ... that you can retire with the dignity and security and respect that you've earned; and that your children can get a good education and young people can go to college, even if they don't come from a wealthy family. That's our common hope.

(APPLAUSE)

34. That's our common hope across this country. That's the essence of the American dream. But today, for far too many Americans, this dream is slipping away. Wall Street has been recently gripped by gloom over our economic situation. But for many Americans, the economy has effectively been in recession for the past seven years. We have just come through...

(APPLAUSE)

35. We have just come through the first sustained period of economic growth since World War II that was not accompanied by a growth in incomes for typical families. Americans are working harder for less.

36. Costs are rising, and it's not clear that we'll leave a legacy of opportunity to our children and our grandchildren. And that's why throughout this campaign I've put forward a series of proposals that will foster economic growth from the bottom up and not just from the top down. And that's why the last time I spoke on the economy here in New York, I talked about the need to put the policies of George W. Bush behind us, policies that have essentially said...

(APPLAUSE)

37. ... policies that have essentially said to the American people, "You are on your own."

38. We need policies that once again recognize that we are in this together. And we need the most powerful, the wealthiest among us -- those who are in attendance here today, we need you to get behind that agenda.

39. It's an agenda that starts with providing a stimulus that will reach the most vulnerable Americans, including immediate relief to areas hardest hit by the housing crisis and a significant extension of unemployment insurance for those who are out of work.

(APPLAUSE)

40. If we can extend a hand to banks on Wall Street when they get into trouble, we can extend a hand to Americans who are struggling, often through no fault of their own.

(APPLAUSE)

41. Beyond these short-term measure, as president, I will be committed to putting the American dream on a firmer footing. To reward work and make retirement secure, we'll provide an income tax (sic) of up to \$1,000 for a working family and eliminate income taxes altogether for any retiree bringing in less than \$50,000 per year.

(APPLAUSE)

42. To make health care affordable for all Americans, we'll cut costs and provide coverage to all who need it. To put Americans to work, we'll create millions of new green jobs and invest in rebuilding our nation's infrastructure.

(APPLAUSE)

43. To extend opportunity, we'll invest in our schools and our teachers and make college affordable for every American. And to ensure...

(APPLAUSE)

44. And to ensure that America stays on the cutting edge, we'll expand broadband access, expand funding for basic scientific research, and pass comprehensive immigration reform so that we continue to attract the best and the brightest to our shores.

(APPLAUSE)

45. I know that making these changes won't be easy. I will not pretend that this will come without costs, although I have presented ways we can achieve these changes in a fiscally responsible way. I believe in PAYGO. If I start a new program I will pay for it. If I intend to cut taxes for the middle class, then we're going to close some of the tax loopholes for corporations and the wealthy that are not working for shared prosperity.

(APPLAUSE)

46. So we're going to have fiscal discipline. I know that we'll have to overcome our doubts and divisions and the determined opposition of powerful special interests before we can truly advance opportunity and prosperity for all Americans. But I would not be running for president if I did not think that this was a defining moment in our history.

47. If we fail to overcome our divisions and continue to let special interests set the agenda, then America will fall behind, short-term gains will continue to yield long-term costs, opportunity will slip away on Main Street, and prosperity will suffer here on Wall Street.

48. But if we unite this country around a common purpose, if we act on the responsibilities that we have to each other and to our country, then we can launch a new era of opportunity and prosperity.

49. I know we can do this because Americans have done this before. Time and again we've recognized that common stake that we have in each other's success. It's how people as different as Hamilton and Jefferson came together to launch the world's greatest experiment in democracy. That's why our economy hasn't just been the world's greatest wealth creator, it's bound America together, it's created jobs and it's made the dream of opportunity a reality for generations.

50. Now it falls to us. We have as our inheritance the greatest economy the world has ever known. We have the responsibility to continue the work that began on that spring day over two centuries ago right here in Manhattan, to renew our common purpose for a new century and to write the next chapter in the story of America's success.

51. We can do this, and we can begin this work today.

52. Thank you very much.