

## Text 1

MCCAIN: Look, we, no matter what, we've got to cut spending We have – as I said, we've let government get completely out of control Senator Obama has the most liberal voting record in the United States Senate It's hard to reach across the aisle from that far to the left The point – the point is – the point is, we need to examine every agency of government First of all, by the way, I'd eliminate ethanol subsidies I oppose ethanol subsidies which is the largest part of our appropriations – I think that we have to return – particularly in defense spending, we have to do away with cost-plus contracts We now have defense systems that the costs are completely out of control We tried to build a little ship called the Littoral Combat Ship that was supposed to cost \$140 million, ended up costing \$400 million, and we still haven't done it So we need to have fixed-cost contracts We need very badly to understand that defense spending is very important and vital, particularly in the new challenges we face in the world, but we have to get a lot of the cost overruns under control I know how to do that MCCAIN: I saved the taxpayers \$68 billion by fighting a contract that was negotiated between Boeing and DOD that was completely wrong so I know how to do this because I've been involved these issues for many, many years And we fixed it and we killed it and the people ended up in federal prison But I think that we have to examine every agency of government and find out those that are doing their job and keep them and find out those that aren't and eliminate them and we'll have to scrub every agency of government

LEHRER: But if I hear the two of you correctly neither one of you is suggesting any major changes in what you want to do as president as a result of the financial bailout? Is that what you're saying?

OBAMA: No As I said before, Jim, there are going to be things that end up having to be

LEHRER: Like what?

OBAMA: deferred and delayed Well, look, I want to make sure that we are investing in energy in order to free ourselves from the dependence on foreign oil That is a big project That is a multi-year project

LEHRER: Not willing to give that up?

OBAMA: Not willing to give up the need to do it but there may be individual components that we can't do But John is right we have to make cuts We right now give \$15 billion every year as subsidies to private insurers under the Medicare system Doesn't work any better through the private insurers They just skim off \$15 billion That was a give away and part of the reason is because lobbyists are able to shape how Medicare works They did it on the Medicaid prescription drug bill and we have to change the culture Tom – or John mentioned me being wildly liberal Mostly that's just me opposing George Bush's wrong headed policies since I've been in Congress but I think it is that it is also important to recognize I work with Tom Coburn, the most conservative, one of the most conservative Republicans who John already mentioned to set up what we call a Google for government saying we'll list every d