

Can you see the  
**mailstream?**

**Rudy Giuliani  
& US 2008**



*Characterize for us how the City is doing today.*

Well, NYC is doing wonderful today. Crime remains the lowest of any big city in the country. It's a city that is clean, a city you either love or hate. If you love it, there is no other city like it. However, there are some real concerns...finance is to New York City as steel was to Pittsburgh in the 60's and 70's. 40% of tax revenues are affected by Wall Street. If you have a bad year, you have a deficit, and I see the budget was just cut by \$1.5 billion.

*Here we have a bailout plan right now, is this the right move?*

If you are asking if the concept is the right idea, I say yes. If it's structured the right way, they will make this money back. If it does take this amount of money we are actually in a crisis. If we had seen this 4 or 5 months ago, Lehman Brothers might have not gone down.

*What about these bailouts, putting short rules in place?*

You are not bailing out specific companies, you are bailing out an economy. As those companies go down, the reverberating effect of that hurts many people. It will hurt the entire economy. It should be structured so that the government can recoup expenses, accompanied by a clear statement of what went wrong and what can be done to prevent this from happening again. Capital rules should be more strictly enforced and explained. The amount of cash and capital they had was too little for the risk they were taking. This did not happen because there weren't enough regulations, but because there were not the right regulations.

*Was SEC was asleep at the switch?*

This bailout should be accompanied by reform, changes in capital rules, and transparency. If I were giving a lecture in leadership now I would say every deal you do, you should really understand it. Any business we run, if we sign our name to a deal, we should go through the process to understand it. Many deals take place in these institutions, and some people at the top didn't understand them.

*How will we pay for this, taxpayers pay for this, will the new president be forced to tax the people for the bailout plan?*

This is a bailout of an entire economy, so I would hope if it works, it will pay for itself because our economy will grow. 2-3% growth in our economy takes care of this. Worst case it doesn't work, then the taxpayers will have to pay for it.

*Is there is a chance we have to look at this again?*

Taxpayers may end up looking at this. I believe that raising taxes deprives the government of money. The number of transactions decreases and the gross revenue declines. If you want to raise taxes you have to be careful, right now raising the capital gains tax would be catastrophic.

*Are you surprised that the Palin bounce seems to be lessening, do they need to narrow the gap?*

It has to do with the economy being front and center, people turn more to the Democratic Party when they are concerned about the economy, and the Republicans when they are concerned about terrorism. McCain has to punch that message about the economy, the reason for electing him becomes greater because he's been through a crisis, and Obama hasn't. McCain has been handling crisis since his 20's, and has a deep understanding of our government and economy. We need that now.

*How can John McCain compete when Obama is a fantastic orator?*

I don't think McCain has to. Thomas Jefferson had a lisp and wasn't a great orator and neither was Harry Truman; they turned out to be great presidents. What we need is a leader, not an actor. I have to think of one actor, but he had been a governor. I worked for Ronald Reagan: the man really loved our country and was an accomplished person. He was a great governor of California, and had tremendous executive experience.

*Do you think Obama blew it by not choosing Hillary?*

I do. From my perspective I was happy that he didn't, as that would have made the election of John McCain much more difficult. I think the very committed Democrats will vote for Senator Obama. I think the people who were voting for Hillary who aren't more committed Democrats, have a good chance, maybe 15-20%, of voting for McCain. That's where Senator Obama made a big mistake, he left a big opening, where McCain rode right through. And she brings a lot of new interests to the campaign, Senator Obama did that earlier. She revitalized it in a place where he can get votes, he might get women who don't think of themselves as feminists but are liberal.

*One of the big issues is that McCain is getting tainted by a Bush legacy, how can he get around that and come across as if he represents change the way Obama represents change?*

By selecting Sarah Palin, he helped say he's for a different kind of change. Obama has used a slogan and monopolized change. McCain wants to make changes, and massively reduce the cost of government that George Bush didn't do. I think George Bush has made a very good President. He got a big decision right, to put us on the offense against Islamic terrorism, you have to face the enemy and not wish them away. McCain will do this and move us more effectively toward energy reform. They both say they will make changes.

*Do you want to be part of a McCain Administration?*

No, I have several jobs. There are things like running the world on terror that particularly have a stake with me. The forces that led to that are still trying to kill us every day. We need a president who is not going to wish that away. We can't go into a reduced military. Senator Biden says to split Iraq into three different countries. We are still living with consequences of that in Pakistan. He voted for the war and then when it became unpopular he was against the surge.