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TRANSCRIPT

Democratic Debate in Philadelphia

The following is a transcript of the Democratic debate in Philadelphia, as provided by the Federal News Service.

PARTICIPANTS:

SENATOR HILLARY CLINTON

SENATOR BARACK OBAMA

MODERATORS:

CHARLIE GIBSON, ABC NEWS

GEORGE STEPHANOPOULOS, ABC NEWS

LOCATION: THE NATIONAL CONSTITUTION CENTER, PHILADELPHIA

MR. GIBSON: So we're going to begin with opening statements, and we had a flip of the coin, and the brief opening statement first from Senator Obama.

SENATOR OBAMA: Thank you very much, Charlie and George, and thanks to all in the audience and who are out there.

You know, Senator Clinton and I have been running for 15 months now. We've been traveling across Pennsylvania for at least the last five weeks. And everywhere I go, what I've been struck by is the core decency and generosity of people of Pennsylvania and the American people.

But what I've also been struck by is the frustration. You know, I met a gentleman in Latrobe who had lost his job and was trying to figure out how he could find the gas money to travel to find a job. And that story, I think, is typical of what we're seeing all across the country. People are frustrated not only with jobs moving and incomes being flat, health care being too expensive, but also that special interests have come to dominate Washington, and they don't feel like they're being listened to.

I think this election offers us an opportunity to change that, to transform that frustration into something more hopeful, to bring about real change. And I'm running for president to ensure that the American people are heard in the White House. That's my commitment, if the people of Pennsylvania vote for me and the people of America vote for me.

MR. GIBSON: Senator Clinton?

SENATOR CLINTON: Well, we meet tonight here in Philadelphia where our founders determined that the promise of America would be available for future generations if we were willing and able to make it

happen.

You know, I am here, as is Senator Obama. Neither of us were included in those original documents. But in a very real sense, we demonstrate that that promise of America is alive and well. But it is at risk.

There is a lot of concern across Pennsylvania and America. People do feel as though their government is not solving problems, that it is not standing up for them, that we've got to do more to actually provide the good jobs that will support families, deal once and for all with health care for every American, make our education system the true passport to opportunity, restore our standing in the world.

I am running for president because I know we can meet the challenges of today, that we can continue to fulfill that promise that was offered to successive generations of Americans starting here so long ago.

And I hope that this evening, voters in Pennsylvania and others across the country will listen carefully to what we have to say, will look at our records, will look at the plans we have.

And I offer those on my website, hillaryclinton.com, for more detail. Because I believe with all my heart that we the people can have the kind of future that our children and grandchildren so richly deserve.

MR. GIBSON: Thank you both.

And with that as preamble, we will take a very short commercial break. And we will come back and begin 90 minutes of debate. The Pennsylvania Democratic Debate continues after just one minute.

(Announcements.)

MR. GIBSON: We'll begin each of the segments of this debate with short quotes from the Constitution that are apropos to what we're going to talk about. And it is good to be back here at the National Constitution Center.

So let's start. And I'm going to give a general question, before we get to the issues, to both of you on politics.

There have already been many votes in many states, and you have each, as you analyze the vote, appealed disproportionately to different constituencies in the party, and that dismays many in the party. Governor Cuomo, an elder statesman in your party, has come forward with a suggestion. He has said, look, fight it to the end.

Let every vote be counted. You contest every delegate. Go at each other to the -- right till the end. Don't give an inch to one another. But pledge now that whichever one of you wins this contest, you'll take the other as your running mate, and that the other will agree if they lose, to take second place on the ticket.

So I put the question to both of you: Why not?

(Pause, laughter.)

Don't all speak at once. (Laughter.)

SENATOR OBAMA: Well, I'm happy to start with a response. Look, this has been an extraordinary journey

that both Senator Clinton and I have been on and a number of other able candidates. And I think very highly of Senator Clinton's record. But as I've said before, I think it's premature at this point for us to talk about who vice presidential candidates will be because we're still trying to determine who the nominee will be.

But one thing I'm absolutely certain of is that come August, when we're in Denver, the Democratic Party will come together, because we have no choice if we want to deliver on the promises that not only we've made but the founders made. We are seeing peoples' economic status slipping further and further behind. We've seen people who have not only lost their jobs but now are at risk of losing their homes.

We have a sharp contrast in terms of economic policies. John McCain wants to continue four more years of George Bush policies and, on the foreign policy front, wants to continue George Bush's foreign policy.

So I'm confident that both Senator Clinton's supporters and Senator Obama's supporters will be supporting the Democratic nominee when we start engaging in that general election.

MR. GIBSON: But Senator Clinton, Governor Cuomo made that suggestion because he's not so sure. And other Democrats are not so sure.

Just to quote from the Constitution again, "In every case," Article Two, Section One, "after the choice of the president, the person having the greatest number of votes of the electors shall be the vice president."

If it was good enough in colonial times, why not in these times.

SENATOR CLINTON: Well, Charlie, I'm going to do everything I possibly can to make sure that one of us takes the oath of office next January. I think that has to be the overriding goal, whatever we have to do.

Obviously we are still contesting to determine who will be the nominee. But once that is resolved, I think it is absolutely imperative that our entire party close ranks, that we become unified.

I will do everything to make sure that the people who supported me support our nominee.

I will go anywhere in the country to make the case. And I know that Barack feels the same way, because both of us have spent 15 months traveling our country. I have seen the damage of the Bush years. I've seen the extraordinary pain that people have suffered from because of the failed policies; you know, those who have held my hands who have lost sons or daughters in Iraq, and those who have lost sons or daughters because they didn't have health insurance.

And so, regardless of the differences there may be between us, and they are differences, they pale in comparison to the differences between us and Senator McCain.

So we will certainly do whatever is necessary to make sure that a Democrat is in the White House next January.

MR. GIBSON: All right. I will let this go. I don't think Governor Cuomo has any takers yet.

Let me start with a question to you, Senator Obama.

SENATOR OBAMA: Yes.

MR. GIBSON: Talking to a closed-door fundraiser in San Francisco 10 days ago, you got talking in California about small-town Pennsylvanians who have had tough economic times in recent years. And you said they get bitter, and they cling to guns or they cling to their religion or they cling to antipathy toward people who are not like them.

Now, you've said you misspoke; you said you mangled what it was you wanted to say. But we've talked to a lot of voters. Do you understand that some people in this state find that patronizing and think that you said actually what you meant?

SENATOR OBAMA: Well, I think there's no doubt that I can see how people were offended. It's not the first time that I've made, you know, a statement that was mangled up. It's not going to be the last.

But let me be very clear about what I meant, because it's something that I've said in public, it's something that I've said in television, which is that people are going through very difficult times right now and we are seeing it all across the country. And that was true even before the current economic hardships that are stemming from the housing crisis. This is the first economic expansion that we just completed in which ordinary people's incomes actually went down, when adjusted for inflation, at the same time as their costs of everything from health care to gas at the pump have skyrocketed.

And so the point I was making was that when people feel like Washington's not listening to them, when they're promised year after year, decade after decade, that their economic situation is going to change, and it doesn't, then politically they end up focusing on those things that are constant, like religion.

They end up feeling "This is a place where I can find some refuge. This is something that I can count on." They end up being much more concerned about votes around things like guns, where traditions have been passed on from generation to generation. And those are incredibly important to them.

And yes, what is also true is that wedge issues, hot-button issues, end up taking prominence in our -- in our politics. And part of the problem is that when those issues are exploited, we never get to solve the issues that people really have to get some relief on, whether it's health care or education or jobs.

So this is something that I've said before. It is something that I will repeat again. And yes, people are frustrated and angry about it, but what we're seeing in this election is the opportunity to break through that frustration. And that's what our campaign has been about, saying that if the American people get involved and engaged, then we are going to start seeing change. And that's what makes this election unique.

MR. GIBSON: Senator Clinton?

SENATOR CLINTON: Well, I am the granddaughter of a factory worker from Scranton who went to work in the Scranton lace mills when he was 11 years old, worked his entire life there, mostly six-day weeks.

He was also very active in the Court Street Methodist Church. And he raised three sons and was very proud that he sent all of them to college.

I don't believe that my grandfather or my father, or the many people whom I have had the privilege of

knowing and meeting across Pennsylvania over many years, cling to religion when Washington is not listening to them. I think that is a fundamental, sort of, misunderstanding of the role of religion and faith in times that are good and times that are bad.

And I similarly don't think that people cling to their traditions, like hunting and guns, either when they are frustrated with the government. I just don't believe that's how people live their lives.

Now, that doesn't mean that people are not frustrated with the government. We have every reason to be frustrated, particularly with this administration.

But I can see why people would be taken aback and offended by the remarks. And I think what's important is that we all listen to one another and we respect one another and we understand the different decisions that people make in life, because we're a stronger country because of that.

And certainly the weeks that I have spent criss-crossing Pennsylvania, from Erie to Lancaster County, and meeting a lot of wonderful people, says to me that despite whatever frustration anyone has with our government, people are resilient, they are positive, and they're ready for leadership again that will summon them to something greater than themselves, and that we will deliver on that if given a chance.

MR. GIBSON: We're going to have some other questions on the same theme, so you'll be able to get back that.

MR. STEPHANOPOULOS: Let me pick up on this. When these comments from Senator Obama broke on Friday, Senator McCain's campaign immediately said that it was going to be a killer issue in November.

Senator Clinton, when Bill Richardson called you to say he was endorsing Barack Obama, you told him that Senator Obama can't win. I'm not going to ask you about that conversation. I know you don't want to talk about it. But a simple yes-or-no question: Do you think Senator Obama can beat John McCain or not?

SENATOR CLINTON: Well, I think we have to beat John McCain, and I have every reason to believe we're going to have a Democratic president and it's going to be either Barack or me. And we're going to make that happen.

And what is important is that we understand exactly the challenges facing us in order to defeat Senator McCain.

He will be a formidable candidate. There isn't any doubt about that. He has a great American story to tell. He's a man who has served our country with distinction over many years, but he has the wrong ideas about America. And those ideas will be tested in the cauldron of this campaign.

But I also know, having now gone through 16 years of being on the receiving end of what the Republican Party dishes out, how important it is that we try to go after every single vote everywhere we possibly can to get to those electoral votes that we're going to need to have the next president elected.

MR. STEPHANOPOULOS: But the question is, do you think Senator Obama can do that? Can he win?

SENATOR CLINTON: Yes. Yes. Yes.

Now, I think that I can do a better job. (Laughter.) I mean, obviously, that's why I'm here. I think I am better able and better prepared in large measure because of what I've been through and the work that I've done and the results that I've produced for people and the coalition that I have put together in this campaign, that Charlie referred to earlier.

Obviously, I believe I would be the best president, or I would not still be here, standing on this stage, and I believe I'm the better and stronger candidate against Senator McCain, to go toe to toe with him on national security and on how we turn the economy around.

MR. STEPHANOPOULOS: Senator Obama, do you think Senator Clinton can win?

SENATOR OBAMA: Absolutely, and I've said so before. But I too think that I'm the better candidate. (Laughter.) And I don't think that surprises anybody.

Let me just pick up on a couple of things that Senator Clinton said, though, because during the course of the last few days, you know, she's said I'm elitist, out of touch, condescending. Let me be absolutely clear. It would be pretty hard for me to be condescending towards people of faith, since I'm a person of faith and have done more than most other campaigns in reaching out specifically to people of faith, and have written about how Democrats make an error when they don't show up and speak directly to people's faith, because I think we can get those votes, and I have in the past.

The same is true with respect to gun owners. I have large numbers of sportsmen and gun owners in my home state, and they have supported me precisely because I have listened to them, and I know them well.

So the problem that we have in our politics, which is fairly typical, is that you take one person's statement, if it's not properly phrased, and you just beat it to death. And that's what Senator Clinton's been doing over the last four days. And I understand that.

That's politics, and I expect to have to go through this -- this process.

But I do think it's important to recognize that it's not helping that person who's sitting at the kitchen table who is trying to figure out how to pay the bills at the end of the month.

And Senator Clinton's right. She has gone through this. You know, I recall when back in 1992, when she made a statement about how, what do you expect, should I be at home baking cookies?

And people attacked her for being elitist and this and that. And I remember watching that on TV and saying, well, that's not who she is; that's not what she believes; that's not what she meant. And I'm sure that that's how she felt as well.

But the problem is that that's the kind of politics that we've been accustomed to. And I think Senator Clinton learned the wrong lesson from it, because she's adopting the same tactics.

What the American people want are not distractions. They want to figure out, how are we actually going to deliver on health care; how are we going to deliver better jobs for people; how are we going to improve their incomes; how are we going to send them to college?

That's what we have to focus on. And yes, they are in part frustrated and angry, because this is what passes for our politics in terms -- instead of figuring out, how do we build coalitions to actually move things forward?

SENATOR CLINTON: Well, could I --

MR. GIBSON: Senator Clinton, before I move on, do you want to do a brief response?

SENATOR CLINTON: Oh, I do.

Well, first of all, I want to be very clear. My comments were about your remarks.

And I think that's important, because it wasn't just me responding to them, it was people who heard them, people who felt as though they were aimed at their values, their quality of life, the decisions that they have made.

Now, obviously, what we have to do as Democrats is make sure we get enough votes to win in November. And as George just said, you know, the Republicans, who are pretty shrewd about what it takes to win, certainly did jump on the comments.

But what's important here is what we each stand for and what our records are and what we have done over the course of our lives to try to improve the circumstances of those who deserve to live up to their own potential, to make the decisions that are right for them and their families. And I think year after year for now 35 years, I have a proven record of results.

And what I'm taking into this campaign is my passion for empowering people, for giving people the feeling that they can make a better future for themselves. And I think it's important that that starts from a base of respect and connection in order to be able to get people to follow you and believe that you will lead them in the better direction.

MR. GIBSON: Senator Obama, since you last debated, you made a significant speech in this building on the subject of race and your former pastor, the Reverend Jeremiah Wright. And you said subsequent to giving that speech that you never heard him say from the pulpit the kinds of things that so have offended people.

But more than a year ago, you rescinded the invitation to him to attend the event when you announced your candidacy. He was to give the invocation. And according to the reverend, I'm quoting him, you said to him, "You can get kind of rough in sermons. So what we've decided is that it's best for you not to be out there in public." I'm quoting the reverend. But what did you know about his statements that caused you to rescind that invitation?

SENATOR OBAMA: Well --

MR. GIBSON: And if you knew he got rough in sermons, why did it take you more than a year to publicly disassociate yourself from his remarks?

SENATOR OBAMA: Well, understand that I hadn't seen the remarks that ended up playing on YouTube repeatedly. This was a set of remarks that had been quoted in Rolling Stone Magazine and we looked at

them and I thought that they would be a distraction since he had just put them forward.

But, Charlie, I've discussed this extensively. Reverend Wright is somebody who made controversial statements but they were not of the sort that we saw that offended so many Americans. And that's why I specifically said that these comments were objectionable; they're not comments that I believe in.

And I disassociated myself with them.

What I also said was, the church and the body of Reverend Wright's work, over the course of 30 years, were not represented in those snippets that were shown on television, and that the church has done outstanding work in ministries on HIV/AIDS, prison ministries, providing people with the kind of comfort that we expect in our churches.

And so what I think I tried to do in the speech here at the Constitution Center was speak to a broader context, which is that there is anger in the African American community that sometimes gets expressed, whether in the barbershop or in the church.

That's true not just in the African American community. That's true in other communities as well. But what we have the opportunity to do is to move beyond it. And that's what I think my candidacy represents.

And Senator Clinton mentioned earlier that we have to connect with people. That's exactly what we've done throughout this campaign.

The reason we've attracted new people into the process, the reason we've generated so much excitement, the reason that we have been so successful in so many states across the country, bridging racial lines, bridging some of the old divisions, is because people recognize that unless we do, then we're not going to be able to deliver on the promises that people hear every 4 years, every 8 years, every 12 years.

And it's my job in this campaign to try to move beyond some of those divisions, because when we are unified, there is nothing that we cannot tackle.

MR. GIBSON: Senator Clinton, let me -- I'm sorry, go ahead. Senator Clinton, let me follow up, and let me add to that. You have said that he would not have been my pastor, and you said that you have to speak out against those kinds of remarks, and implicitly by getting up and moving, and I presume you mean out of the church.

There are 8,000 members of Senator Obama's church. And we have heard the inflammatory remarks of Reverend Wright, but so too have we heard testament to many great things that he did. Do you honestly believe that 8,000 people should have gotten up and walked out of that church?

SENATOR CLINTON: I was asked a personal question, Charlie, and I gave a personal answer. Obviously, one's choice of church and pastor is rooted in what one believes is what you're seeking in church and what kind of, you know, fellowship you find in church. But I have to say that, you know, for Pastor Wright to have given his first sermon after 9/11 and to have blamed the United States for the attack, which happened in my city of New York, would have been intolerable for me. And therefore I would have not been able to stay in the church, and maybe it's, you know, just, again, a personal reflection that regardless of whatever good is going on -- and I have no reason to doubt that a lot of good things were happening in that church --

you get to choose your pastor. You don't choose your family, but you get to choose your pastor. And when asked a direct question, I said I would not have stayed in the church.

SENATOR OBAMA: Well, let me just respond to -- to two things. Absolutely many of these remarks were objectionable. I've already said that I didn't hear them, because I wasn't in church that day. I didn't learn about those statements until much later.

But --

MR. GIBSON: But you did rescind the invitation to him --

SENATOR OBAMA: But that was on -- that was on something entirely different, Charlie. That -- that was on a different statement. And I think that what Senator Clinton referred to was extremely offensive, to me and a lot of people.

But what I should also point out is that Senator Clinton's former pastor, I think, publicly talked about how Reverend Wright was being caricatured and that in fact this is somebody who had maintained an extraordinary ministry for many years.

And so there are two important points: Number one, I wasn't aware of all these statements, and I can understand how people would take offense; but number two, the church is a community that extends beyond the pastor and that church has done outstanding work for many, many years.

The third point I guess I would make is once again that unless we can bridge some of these divides we're not going to solve problems in this country. And what my entire body of work over the last 20 years has been devoted to is getting blacks, whites, Hispanics, Asians, Native Americans, young, old to work together, starting when I was a community organizer. And my own life embodies that diversity. That's what America's about and that's what this campaign has been about.

MR. STEPHANOPOULOS: Senator, two questions. Number one, do you think Reverend Wright loves America as much as you do? And number two, if you get the nomination, what will you do when those sermons are played on television again and again and again?

SENATOR OBAMA: You know, George, look, if it's not this, then it would be something else. I promise you, if Senator Clinton got the nomination, there will be a whole bunch of video clips about other things. In a general election, we know that there are going to be all kinds of attacks launched and leveled. There have been quite a few leveled in this primary campaign.

And I have confidence in the American people that when you talk to the American people honestly and directly about what I believe in, what my plans are on health care, on energy, when they see my track record of the work that I've done on behalf of people who really need help, I have absolute confidence that they can rally behind my campaign.

And, you know, the notion that somehow that the American people are going to be distracted once again by comments not made by me but by somebody who is associated with me, that I have disowned, I think doesn't give the American people enough credit.

MR. STEPHANOPOULOS: You've disowned him?

SENATOR OBAMA: The comments, comments that I've disowned. Then that is not something that I think --

MR. STEPHANOPOULOS: But you do believe he's as patriotic as you are?

SENATOR OBAMA: This is somebody who's a former Marine. And so I have -- I believe that he loves this country, but I also believe that he's somebody who, because of the experiences he's had over the course of a lifetime, is also angry about the injustices that he's seen.

MR. GIBSON: I'm getting a little out of balance here. Do you want to take a few seconds, or do you want to go to the next question?

SENATOR CLINTON: Well, I think, in addition to the questions about Reverend Wright and what he said and when he said it, and for whatever reason he might have said these things, there were so many different variations on the explanations that we heard. And it is something that I think deserves further exploration, because clearly what we've got to figure out is how we're going to bring people together in a way that overcomes the anger, overcomes the divisiveness and whatever bitterness there may be out there.

It is clear that, as leaders, we have a choice who we associate with and who we apparently give some kind of seal of approval to. And I think that it wasn't only the specific remarks, but some of the relationships with Reverend Farrakhan, with giving the church bulletin over to the leader of Hamas to put a message in. You know, these are problems, and they raise questions in people's minds.

And so this is a legitimate area, as everything is when we run for office, for people to be exploring and trying to find answers.

MR. STEPHANOPOULOS: Senator Clinton, we also did a poll today, and there are also questions about you raised in this poll. About six in 10 voters that we talked to say they don't believe you're honest and trustworthy. And we also asked a lot of Pennsylvania voters for questions they had. A lot of them raised this honesty issue and your comments about being under sniper fire in Bosnia.

Here's Tom Rooney from Pittsburgh.

Q Senator, I was in your court until a couple of weeks ago. How do you reconcile the campaign of credibility that you have when you've made those comments about what happened getting off the plane in Bosnia, which totally misrepresented what really happened on that day? You really lost my vote. And what can you tell me to get that vote back?

SENATOR CLINTON: Well, Tom, I can tell you that I may be a lot of things, but I'm not dumb. And I wrote about going to Bosnia in my book in 2004. I laid it all out there. And you're right. On a couple of occasions in the last weeks I just said some things that weren't in keeping with what I knew to be the case and what I had written about in my book. And, you know, I'm embarrassed by it. I have apologized for it. I've said it was a mistake. And it is, I hope, something that you can look over, because clearly I am proud that I went to Bosnia. It was a war zone.

General Wesley Clark is here in the audience with me as one of my major supporters. He and I were talking about it before I came out. You know, our soldiers were there to try to police and keep the peace in a very dangerous area. They were totally in battle gear. There were concerns about the potential dangers. The former president of Bosnia has said that he was worried about the safety of the situation.

So I know that it is something that some people have said, "Wait a minute. What happened here?" But I have talked about this and written about it. And then, unfortunately, on a few occasions I was not as accurate as I have been in the past.

But I know too that, you know, being able to rely on my experience of having gone to Bosnia, gone to more than 80 countries, having represented the United States in so many different settings gives me a tremendous advantage going into this campaign, particularly against Senator McCain.

So I will either try to get more sleep, Tom, or, you know, have somebody who, you know, is there as a reminder to me. You know, you can go back for the past 15 months. We both have said things that, you know, turned out not to be accurate. You know, that happens when you're talking as much as we have talked.

But you know, I'm very sorry that I said it. And I have said that, you know, it just didn't jibe with what I had written about and knew to be the truth.

MR. STEPHANOPOULOS: Senator Obama, your campaign has sent out a cascade of e-mails, just about every day, questioning Senator Clinton's credibility. And you yourself have said she hasn't been fully truthful about what she would do as president.

Do you believe that Senator Clinton has been fully truthful about her past?

SENATOR OBAMA: Well, look, I think that Senator Clinton has a strong record to run on. She wouldn't be here if she didn't. And you know, I haven't commented on the issue of Bosnia. You know, I --

MR. STEPHANOPOULOS: Your campaign has.

SENATOR OBAMA: Of course, but --

SENATOR CLINTON: (Laughs.)

SENATOR OBAMA: Because we're asked about it.

But look, the fact of the matter is, is that both of us are working as hard as we can to make sure that we're delivering a message to the American people about what we would do as president.

Sometimes that message is going to be imperfectly delivered, because we are recorded every minute of every day. And I think Senator Clinton deserves, you know, the right to make some errors once in a while. I'm -- obviously, I make some as well.

I think what's important is to make sure that we don't get so obsessed with gaffes that we lose sight of the fact that this is a defining moment in our history. We are going to be tackling some of the biggest issues that any president has dealt with in the last 40 years. Our economy is teetering not just on the edge of recession,

but potentially worse. Our foreign policy is in a shambles. We are involved in two wars. People's incomes have not gone up, and their costs have. And we're seeing greater income inequality now than any time since the 1920s.

In those circumstances, for us to be obsessed with this -- these kinds of errors I think is a mistake. And that's not what our campaign has been about.

What our campaign has been about is offering some specific solutions to how we move these issues forward and identifying the need to change the culture in Washington, which we haven't talked at all about, but that has blocked real reform decade after decade after decade. That, I think, is the job of the next president of the United States.

That's what I intend to do. That's why I'm running.

MR. GIBSON: And Senator Obama, I want to do one more question, which goes to the basic issue of electability. And it is a question raised by a voter in Latrobe, Pennsylvania, a woman by the name of Nash McCabe. Take a look.

NASH MCCABE (Latrobe, Pennsylvania): (From videotape.) Senator Obama, I have a question, and I want to know if you believe in the American flag. I am not questioning your patriotism, but all our servicemen, policemen and EMS wear the flag. I want to know why you don't.

MR. GIBSON: Just to add to that, I noticed you put one on yesterday. But -- you've talked about this before, but it comes up again and again when we talk to voters. And as you may know, it is all over the Internet. And it's something of a theme that Senators Clinton and McCain's advisers agree could give you a major vulnerability if you're the candidate in November. How do you convince Democrats that this would not be a vulnerability?

SENATOR OBAMA: Well, look, I revere the American flag, and I would not be running for president if I did not revere this country. This is -- I would not be standing here if it wasn't for this country.

And I've said this -- again, there's no other country in which my story is even possible; somebody who was born to a teenage mom, raised by a single mother and grandparents from small towns in Kansas, you know, who was able to get an education and rise to the point where I can run for the highest office in the land. I could not help but love this country for all that it's given me.

And so what I've tried to do is to show my patriotism by how I treat veterans when I'm working in the Senate Veterans Affairs Committee; by making sure that I'm speaking forcefully about how we need to bring this war in Iraq to a close, because I think it is not serving our national security well and it's not serving our military families and our troops well; talking about how we need to restore a sense of economic fairness to this country because that's what this country has always been about, is providing upward mobility and ladders to opportunity for all Americans. That's what I love about this country. And so I will continue to fight for those issues.

And I am absolutely confident that during the general election that when I'm in a debate with John McCain, people are not going to be questioning my patriotism, they are going to be questioning how can you make

people's lives a little bit better.

And let me just make one last point on this issue of the flag pin. As you noted, I wore one yesterday when a veteran handed it to me, who himself was disabled and works on behalf of disabled veterans. I have never said that I don't wear flag pins or refuse to wear flag pins. This is the kind of manufactured issue that our politics has become obsessed with and, once again, distracts us from what should be my job when I'm commander in chief, which is going to be figuring out how we get our troops out of Iraq and how we actually make our economy better for the American people.

MR. STEPHANOPOULOS: Senator, if you get the nomination, you'll have to -- (applause) -- (inaudible).

I want to give Senator Clinton a chance to respond, but first a follow-up on this issue, the general theme of patriotism in your relationships. A gentleman named William Ayers, he was part of the Weather Underground in the 1970s. They bombed the Pentagon, the Capitol and other buildings. He's never apologized for that. And in fact, on 9/11 he was quoted in The New York Times saying, "I don't regret setting bombs; I feel we didn't do enough."

An early organizing meeting for your state senate campaign was held at his house, and your campaign has said you are friendly. Can you explain that relationship for the voters, and explain to Democrats why it won't be a problem?

SEN. OBAMA: George, but this is an example of what I'm talking about.

This is a guy who lives in my neighborhood, who's a professor of English in Chicago, who I know and who I have not received some official endorsement from. He's not somebody who I exchange ideas from on a regular basis.

And the notion that somehow as a consequence of me knowing somebody who engaged in detestable acts 40 years ago when I was 8 years old, somehow reflects on me and my values, doesn't make much sense, George.

The fact is, is that I'm also friendly with Tom Coburn, one of the most conservative Republicans in the United States Senate, who during his campaign once said that it might be appropriate to apply the death penalty to those who carried out abortions.

Do I need to apologize for Mr. Coburn's statements? Because I certainly don't agree with those either.

So this kind of game, in which anybody who I know, regardless of how flimsy the relationship is, is somehow -- somehow their ideas could be attributed to me -- I think the American people are smarter than that. They're not going to suggest somehow that that is reflective of my views, because it obviously isn't.

SEN. CLINTON: Well, I think that is a fair general statement, but I also believe that Senator Obama served on a board with Mr. Ayers for a period of time, the Woods Foundation, which was a paid directorship position.

And if I'm not mistaken, that relationship with Mr. Ayers on this board continued after 9/11 and after his reported comments, which were deeply hurtful to people in New York, and I would hope to every

American, because they were published on 9/11 and he said that he was just sorry they hadn't done more. And what they did was set bombs and in some instances people died. So it is -- you know, I think it is, again, an issue that people will be asking about. And I have no doubt -- I know Senator Obama's a good man and I respect him greatly but I think that this is an issue that certainly the Republicans will be raising.

And it goes to this larger set of concerns about, you know, how we are going to run against John McCain. You know, I wish the Republicans would apologize for the disaster of the Bush-Cheney years and not run anybody, just say that it's time for the Democrats to go back into the White House. (Laughter, applause.)

Unfortunately, they don't seem to be willing to do that. So we know that they're going to be out there, full force. And you know, I've been in this arena for a long time. I have a lot of baggage, and everybody has rummaged through it for years. (Laughter.) And so therefore, I have, you know, an opportunity to come to this campaign with a very strong conviction and feeling that I will be able to withstand whatever the Republican sends our way.

SENATOR OBAMA: I'm going to have to respond to this just really quickly, but by Senator Clinton's own vetting standards, I don't think she would make it, since President Clinton pardoned or commuted the sentences of two members of the Weather Underground, which I think is a slightly more significant act than me --

AUDIENCE MEMBER: (Applauds.)

MR. GIBSON: Please.

SENATOR OBAMA: -- than me serving on a board with somebody for actions that he did 40 years ago.

Look, there is no doubt that the Republicans will attack either of us. What I've been able to display during the course of this primary is that I can take a punch. I've taken some pretty good ones from Senator Clinton. And I don't begrudge her that. That's part of what the political contest is about.

I am looking forward to having a debate with John McCain, and I think every poll indicates that I am doing just as well, if not better, in pulling together the coalition that will defeat John McCain.

And when it comes to November, and people are going into the polling place, they're going to be asking, are we going to go through four more years of George Bush economic policies; are we going to go through four more years of George Bush foreign policy?

And if we as Democrats and if I as the nominee have put forward a clear vision for how we're going to move the country forward, deal with issues like energy dependence, lower gas prices, provide health care, get our troops out of Iraq, that is a debate that I'm happy to have and a debate that I'm confident I can win.

MR. GIBSON: And Senator Clinton, I'm getting out of balance in terms of time.

SENATOR CLINTON: I've noticed. (Laughs.)

MR. GIBSON: And you're getting shortchanged here. And so if you want to reply here, fine. If you want to wait, we'll do it in the next half hour.

SENATOR CLINTON: We can wait.

MR. GIBSON: All right.

We will take a commercial break. We will come back. And the Democratic debate, from the city of Philadelphia before the Pennsylvania primary, will continue. Stay with us. (Applause.)

(Announcements.)

MR. GIBSON: Another quote from the Constitution, apropos because we are here, as you heard just a moment ago, at the Constitution Center.

Senator Clinton, a question for you. We talked about the military applications from the Constitution and this is a question that involves the war in Iraq. It comes from Mandy Garber of Pittsburgh. Take a look.

MANDY GARBER (Pittsburgh, Pennsylvania): So, the real question is, I mean, do the candidates have a real plan to get us out of Iraq or is it just real campaign propaganda? And you know, it's really unclear. They keep saying we want to bring the troops back, but considering what's happening on the ground, how is that going to happen?

MR. GIBSON: Let me just add a little bit to that question, because your communications director in your campaign, Howard Wolfson on a conference call recently was asked, "Is Senator Clinton going to stick to her announced plan of bringing one or two brigades out of Iraq every month whatever the realities on the ground?" And Wolfson said, "I'm giving you a one-word answer so we can be clear about it, the answer is yes."

So if the military commanders in Iraq came to you on day one and said this kind of withdrawal would destabilize Iraq, it would set back all of the gains that we have made, no matter what, you're going to order those troops to come home?

SENATOR CLINTON: Yes, I am, Charlie. And here's why: You know, thankfully we have a system in our country of civilian control of the military. And our professional military are the best in the world. They give their best advice and then they execute the policies of the president. I have watched this president as he has continued to change the rationale and move the goalposts when it comes to Iraq.

And I am convinced that it is in America's best interest, it is in the best interest of our military, and I even believe it is in the best interest of Iraq, that upon taking office, I will ask the secretary of Defense and the Joint Chiefs of Staff and my security advisers to immediately put together for me a plan so that I can begin to withdraw within 60 days. I will make it very clear that we will do so in a responsible and careful manner, because obviously, withdrawing troops and equipment is dangerous.

I will also make it clear to the Iraqis that they no longer have a blank check from the president of the United States, because I believe that it will be only through our commitment to withdraw that the Iraqis will begin to do what they have failed to do for all of these years.

I will also begin an intensive diplomatic effort, both within the region and internationally, to begin to try to get other countries to understand the stakes that we all face when it comes to the future of Iraq.

But I have been convinced and very clear that I will begin to withdraw troops within 60 days. And we've had other instances in our history where some military commanders have been very publicly opposed to what a president was proposing to do.

But I think it's important that this decision be made, and I intend to make it.

MR. GIBSON: But Senator Clinton, aren't you saying -- I mean, General Petraeus was in Washington. You both were there when he testified, saying that the gains in Iraq are fragile and are reversible. Are you essentially saying, "I know better than the military commanders here"?

SENATOR CLINTON: No, what I'm saying, Charlie, is that no one can predict what will happen. There are many different scenarios. But one thing I am sure of is that our staying in Iraq, our continuing to lose our men and women in uniform, having many injured, the Iraqi casualties that we are seeing as well, is -- is no way for us to maintain a strong position in the world.

It's not only about Iraq. It is about ending the war in Iraq, so that we can begin paying attention to all of the other problems we have. There isn't any doubt that Afghanistan has been neglected. It has not gotten the resources that it needs. We hear that from our military commanders responsible for that region of the world. And there are other problems that we have failed to address.

So the bottom line for me is, we don't know what will happen as we withdraw. We do know what will happen if we stay mired in Iraq. The Iraqi government will not accept responsibility for its own future.

Our military will continue to be stretched thin, and our soldiers will be on their second, third, even their fourth deployment. And we will not be able to reassert our leadership and our moral authority in the world.

And I think those are the kind of broad issues that a president has to take into account.

MR. GIBSON: And Senator Obama, your campaign manager, David Plouffe, said, when he is -- this is talking about you -- when he is elected president, we will be out of Iraq in 16 months at the most; there should be no confusion about that.

So you'd give the same rock-hard pledge, that no matter what the military commanders said, you would give the order: Bring them home.

SENATOR OBAMA: Because the commander in chief sets the mission, Charlie. That's not the role of the generals. And one of the things that's been interesting about the president's approach lately has been to say, well, I'm just taking cues from General Petraeus.

Well, the president sets the mission. The general and our troops carry out that mission. And unfortunately we have had a bad mission, set by our civilian leadership, which our military has performed brilliantly. But it is time for us to set a strategy that is going to make the American people safer.

Now, I will always listen to our commanders on the ground with respect to tactics. Once I've given them a new mission, that we are going to proceed deliberately in an orderly fashion out of Iraq and we are going to have our combat troops out, we will not have permanent bases there, once I've provided that mission, if they come to me and want to adjust tactics, then I will certainly take their recommendations into

consideration; but ultimately the buck stops with me as the commander in chief.

And what I have to look at is not just the situation in Iraq, but the fact that we continue to see al Qaeda getting stronger in Afghanistan and in Pakistan, we continue to see anti-American sentiment fanned all across the Middle East, we are overstretched in a way -- we do not have a strategic reserve at this point. If there was another crisis that was taking place, we would not have a brigade that we could send to deal with that crisis that isn't already scheduled to be deployed in Iraq. That is not sustainable. That's not smart national security policy, and it's going to change when I'm president.

MR. STEPHANOPOULOS: Senator Obama, let's stay in the region. Iran continues to pursue a nuclear option. Those weapons, if they got them, would probably pose the greatest threat to Israel. During the Cold War, it was the United States policy to extend deterrence to our NATO allies. An attack on Great Britain would be treated as if it were an attack on the United States. Should it be U.S. policy now to treat an Iranian attack on Israel as if it were an attack on the United States?

SEN. OBAMA: Well, our first step should be to keep nuclear weapons out of the hands of the Iranians, and that has to be one of our top priorities. And I will make it one of our top priorities when I'm president of the United States.

I have said I will do whatever is required to prevent the Iranians from obtaining nuclear weapons. I believe that that includes direct talks with the Iranians where we are laying out very clearly for them, here are the issues that we find unacceptable, not only development of nuclear weapons but also funding terrorist organizations like Hamas and Hezbollah, as well as their anti-Israel rhetoric and threats towards Israel. I believe that we can offer them carrots and sticks, but we've got to directly engage and make absolutely clear to them what our posture is.

Now, my belief is that they should also know that I will take no options off the table when it comes to preventing them from using nuclear weapons or obtaining nuclear weapons, and that would include any threats directed at Israel or any of our allies in the region.

MR. STEPHANOPOULOS: So you would extend our deterrent to Israel?

SENATOR OBAMA: As I've said before, I think it is very important that Iran understands that an attack on Israel is an attack on our strongest ally in the region, one that we -- one whose security we consider paramount, and that -- that would be an act of aggression that we -- that I would -- that I would consider an attack that is unacceptable, and the United States would take appropriate action.

MR. STEPHANOPOULOS: Senator Clinton, would you?

SENATOR CLINTON: Well, in fact, George, I think that we should be looking to create an umbrella of deterrence that goes much further than just Israel. Of course I would make it clear to the Iranians that an attack on Israel would incur massive retaliation from the United States, but I would do the same with other countries in the region.

You know, we are at a very dangerous point with Iran. The Bush policy has failed. Iran has not been deterred. They continue to try to not only obtain the fissile material for nuclear weapons but they are intent

upon and using their efforts to intimidate the region and to have their way when it comes to the support of terrorism in Lebanon and elsewhere.

And I think that this is an opportunity, with skillful diplomacy, for the United States to go to the region and enlist the region in a security agreement vis-a-vis Iran. It would give us three tools we don't now have.

Number one, we've got to begin diplomatic engagement with Iran, and we want the region and the world to understand how serious we are about it. And I would begin those discussions at a low level. I certainly would not meet with Ahmadinejad, because even again today he made light of 9/11 and said he's not even sure it happened and that people actually died. He's not someone who would have an opportunity to meet with me in the White House. But I would have a diplomatic process that would engage him.

And secondly, we've got to deter other countries from feeling that they have to acquire nuclear weapons. You can't go to the Saudis or the Kuwaitis or UAE and others who have a legitimate concern about Iran and say: Well, don't acquire these weapons to defend yourself unless you're also willing to say we will provide a deterrent backup and we will let the Iranians know that, yes, an attack on Israel would trigger massive retaliation, but so would an attack on those countries that are willing to go under this security umbrella and forswear their own nuclear ambitions.

And finally we cannot permit Iran to become a nuclear weapons power. And this administration has failed in our efforts to convince the rest of the world that that is a danger, not only to us and not just to Israel but to the region and beyond.

Therefore we have got to have this process that reaches out, beyond even who we would put under the security umbrella, to get the rest of the world on our side to try to impose the kind of sanctions and diplomatic efforts that might prevent this from occurring.

MR. STEPHANOPOULOS: Let me turn to the economy. That is the number one issue on Americans' minds right now.

Yesterday, Senator McCain singled that the number one issue, in the general election campaign on the economy, is going to be taxes. And he says that both of you are going to raise taxes, not just on the wealthy but on everyone. Here's what he said in his speech yesterday.

SENATOR JOHN MCCAIN (R-AZ): (Pre-recorded remarks.) All these tax increases are under the fine print of the slogan: hope. They're going to raise your taxes by thousands of dollars a year. And they have the audacity to hope you don't mind.

(Laughter.)

MR. STEPHANOPOULOS: Senator Clinton, two-part question.

Two-part question: Can you make an absolute, read-my-lips pledge that there will be no tax increases of any kind for anyone earning under \$200,000 a year?

And if the economy is as weak a year from now as it is today, will you -- will you persist in your plans to roll back President Bush's tax cuts for wealthier Americans?

SENATOR CLINTON: Well, George, I have made a commitment that I will let the taxes on people making more than \$250,000 a year go back to the rates that they were paying in the 1990s.

MR. STEPHANOPOULOS: Even if the economy is weak?

SENATOR CLINTON: Yes. And here's why: Number one, I do not believe that it will detrimentally affect the economy by doing that. As I recall, you know, we used that tool during the 1990s to very good effect and I think we can do so again.

I am absolutely committed to not raising a single tax on middle class Americans, people making less than \$250,000 a year. In fact, I have a very specific plan of \$100 billion in tax cuts that would go to help people afford health care, security retirement plans, you know, make it possible for people to get long-term care insurance and care for their parents and grandparents who they are trying to support, making college affordable and so much else.

Well, if you look at how we'd have to sequence that, we might not be able to do all of that at once. But if you go to my website, HillaryClinton.com, it is laid out there how I will pay for everything, because everything I have proposed, I have put in how I would pay for it.

MR. STEPHANOPOULOS: An absolute commitment, no middle-class tax increases of any kind.

SENATOR CLINTON: No, that's right. That is my commitment.

MR. GIBSON: Senator Obama?

MR. STEPHANOPOULOS: Would you take the same pledge?

SENATOR OBAMA: Well, I not only have pledged not to raise their taxes, I've been the first candidate in this race to specifically say I would cut their taxes.

And one of the centerpieces of my economic plan would be to say that we are going to offset the payroll tax, the most regressive of our taxes, so that families who are earning -- who are middle-income individuals making \$75,000 a year or less, that they would get a tax break so that families would see up to a thousand dollars worth of relief.

Senior citizens who have earnings of less than \$50,000 wouldn't have to pay income tax on their Social Security. And middle-class homeowners who currently don't itemize on their tax filings, they would be able to get a deduction the same way that wealthy individuals do.

Now, here's the reason why that's important. We have seen wages and incomes flat or declining at a time when costs have gone up. And one of the things that we've learned from George Bush's economic policies, which John McCain now wants to follow, is that pain trickles up. And so, partly because people have been strapped and have had a tough time making ends meet, we're now seeing a deteriorating housing market.

That's also as a consequence of the lack of oversight and regulation of these banks and financial institutions that gave loans that they shouldn't have. And part of it has to do with the fact that you had \$185 million by mortgage lenders spent on lobbyists and special interests who were writing these laws.

So the rules in Washington -- the tax code has been written on behalf of the well connected. Our trade laws have -- same thing has happened. And part of how we're going to be able to deliver on middle-class tax relief is to change how business is done in Washington. And that's been a central focus of our campaign.

MR. GIBSON: Senator Obama, you both have now just taken this pledge on people under \$250,000 and 200-and-what, 250,000.

SENATOR OBAMA: Well, it depends on how you calculate it. But it would be between 200 and 250,000.

MR. GIBSON: All right.

You have however said you would favor an increase in the capital gains tax. As a matter of fact, you said on CNBC, and I quote, "I certainly would not go above what existed under Bill Clinton, which was 28 percent."

It's now 15 percent. That's almost a doubling if you went to 28 percent. But actually Bill Clinton in 1997 signed legislation that dropped the capital gains tax to 20 percent.

SENATOR OBAMA: Right.

MR. GIBSON: And George Bush has taken it down to 15 percent.

SENATOR OBAMA: Right.

MR. GIBSON: And in each instance, when the rate dropped, revenues from the tax increased. The government took in more money. And in the 1980s, when the tax was increased to 28 percent, the revenues went down. So why raise it at all, especially given the fact that 100 million people in this country own stock and would be affected?

SENATOR OBAMA: Well, Charlie, what I've said is that I would look at raising the capital gains tax for purposes of fairness. We saw an article today which showed that the top 50 hedge fund managers made \$29 billion last year -- \$29 billion for 50 individuals. And part of what has happened is that those who are able to work the stock market and amass huge fortunes on capital gains are paying a lower tax rate than their secretaries. That's not fair.

And what I want is not oppressive taxation. I want businesses to thrive and I want people to be rewarded for their success. But what I also want to make sure is that our tax system is fair and that we are able to finance health care for Americans who currently don't have it and that we're able to invest in our infrastructure and invest in our schools.

And you can't do that for free, and you can't take out a credit card from the Bank of China in the name of our children and our grandchildren and then say that you're cutting taxes, which is essentially what John McCain has been talking about. And that is irresponsible.

You know, I believe in the principle that you pay as you go, and you don't propose tax cuts unless you are closing other tax breaks for individuals. And you don't increase spending unless you're eliminating some spending or you're finding some new revenue. That's how we got an additional \$4 trillion worth of debt under George Bush. That is helping to undermine our economy, and it's going to change when I'm

president of the United States.

MR. GIBSON: But history shows that when you drop the capital gains tax, the revenues go up.

SENATOR OBAMA: Well, that might happen or it might not. It depends on what's happening on Wall Street and how business is going. I think the biggest problem that we've got on Wall Street right now is the fact that we've got a housing crisis that this president has not been attentive to and that it took John McCain three tries before he got it right.

And if we can stabilize that market and we can get credit flowing again, then I think we'll see stocks do well, and once again I think we can generate the revenue that we need to run this government and hopefully to pay down some of this debt.

MR. GIBSON: Senator Clinton.

SENATOR CLINTON: Well, let me start by saying that I think we know that we've got to get back to an economy that works for everyone. The president has been very good for people who are doing well, and that's great. But it was better for our country when we had an economy that lifted everyone up at the same time, and we had that during the 1990s; you know, 22.7 million new jobs, more people lifted out of poverty than any time in our recent history. A typical family saw a \$7,000 increase in income.

And we have lost that. You know, now the typical family has lost at least \$1,000. And the fact is that, you know, I don't want to take one more penny of tax money from anybody. But what I want to do is make some smart investments. And I was the first to come out with a strategic energy fund, where we need to be investing in clean renewable energy. And I think we could put 5 million Americans to work.

I think we have to invest in our infrastructure. That also will get the economy moving again, and I believe we could put about 3 million people to work in good union jobs where people get a good wage with a good set of benefits that can support a middle-class family with a rising standard of living.

I want to see us actually tackle the housing crisis, something I've been talking about for over a year. If I had been president a year ago, I believe we would have begun to avoid some of the worst of the mortgage and credit crisis, because we would have started much earlier than we have -- in fact, I don't think we've really done very much at all yet -- in dealing with a way of freezing home foreclosures, of freezing interest rates, getting money into communities to be able to withstand the problems that are caused by foreclosures.

Governor Rendell has done a great job in Pennsylvania. He saw this coming. And unlike our current president, who either didn't know it or didn't care about it, he has really held the line, and Pennsylvania has been much less affected by home foreclosures. But the president hasn't done that, and what I have proposed would do that.

So you've got to look at the entire economy. And from my perspective, yes, taxes is a piece of it. But you've got to figure out what is it we would invest in that would make us richer and safer and stronger tomorrow, which would be helping everybody.

MR. GIBSON: I'm going to go to a commercial break. But I just want to come back to one thing you said, and I want to be clear. The question was about capital gains tax. Would you say, "No, I'm not going to raise

capital gains taxes"?

SENATOR CLINTON: I wouldn't raise it above the 20 percent if I raised it at all. I would not raise it above what it was during the Clinton administration.

MR. GIBSON: "If I raised it at all." Would you propose an increase in the capital gains tax?

SENATOR CLINTON: You know, Charlie, I'm going to have to look and see what the revenue situation is. You know, we now have the largest budget deficit we've ever had, \$311 billion. We went from a \$5.6 trillion projected surplus to what we have today, which is a \$9 trillion debt.

I don't want to raise taxes on anybody. I'm certainly against one of Senator Obama's ideas, which is to lift the cap on the payroll tax, because that would impose additional taxes on people who are, you know, educators here in the Philadelphia area or in the suburbs, police officers, firefighters and the like.

So I think we have to be very careful about how we navigate this.

So the \$250,000 mark is where I am sure we're going. But beyond that, we're going to have to look and see where we are.

MR. GIBSON: Very quickly, because I owe Senator Clinton time, but, yeah, you wanted to respond.

SENATOR OBAMA: Well, Charlie, I just have to respond real quickly to Senator Clinton's last comment. What I have proposed is that we raise the cap on the payroll tax, because right now millionaires and billionaires don't have to pay beyond \$97,000 a year.

That's where it's kept. Now most firefighters, most teachers, you know, they're not making over \$100,000 a year. In fact, only 6 percent of the population does. And I've also said that I'd be willing to look at exempting people who are making slightly above that.

But understand the alternative is that because we're going to have fewer workers to more retirees, if we don't do anything on Social Security, then those benefits will effectively be cut, because we'll be running out of money.

MR. GIBSON: But Senator, that's a tax. That's a tax on people under \$250,000.

SENATOR OBAMA: Well, no, look, let me -- let me finish my point here, Charlie. Senator Clinton just said she certainly wouldn't do this; this was a bad idea. In Iowa she, when she was outside of camera range, said to an individual there she'd certainly consider the idea. And then that was recorded, and she apparently wasn't aware that it was being recorded.

So this is an option that I would strongly consider, because the alternatives, like raising the retirement age, or cutting benefits, or raising the payroll tax on everybody, including people who make less than \$97,000 a year --

MR. GIBSON: But there's a heck of a lot of --

SENATOR OBAMA: -- those are not good policy options.

MR. GIBSON: Those are a heck of a lot of people between \$97,000 and \$200,000 and \$250,000. If you raise the payroll taxes, that's going to raise taxes on them.

SENATOR OBAMA: And that's -- and that's -- and that's why I've said, Charlie, that I would look at potentially exempting those who are in between.

But the point is, we're going to have to capture some revenue in order to stabilize the Social Security system. You can't -- you can't get something for nothing. And if we care about Social Security, which I do, and if we are firm in our commitment to make sure that it's going to be there for the next generation, and not just for our generation, then we have an obligation to figure out how to stabilize the system.

And I think we should be honest in presenting our ideas in terms of how we're going to do that and not just say that we're going to form a commission and try to solve the problem some other way.

SENATOR CLINTON: Well, in fact, I am totally committed to making sure Social Security is solvent. If we had stayed on the path we were on at the end of my husband's administration, we sure would be in a lot better position because we had a plan to extend the life of the Social Security Trust Fund and again, President Bush decided that that wasn't a priority, that the war in Iraq and tax cuts for the wealthiest of Americans were his priorities, neither of which he's ever paid for. I think it's the first time we've ever been taken to war and had a president who wouldn't pay for it.

But when it comes to Social Security, fiscal responsibility is the first and most important step. You've got to begin to reign in the budget, pay as you go, to try to replenish our Social Security Trust Fund.

And with all due respect, the last time we had a crisis in Social Security was 1983. President Reagan and Speaker Tip O'Neill came up with a commission. That was the best and smartest way, because you've got to get Republicans and Democrats together.

That's what I will do. And I will say, number one, don't cut benefits on current beneficiaries; they're already having a hard enough time. And number two, do not impose additional tax burdens on middle-class families.

There are lots of ways we can fix Social Security that don't impose those burdens, and I will do that.

SENATOR OBAMA: That commission raised the retirement age, Charlie, and also raised the payroll tax. And so Senator Clinton, if she -- she can't have it both ways. You can't come at me for proposing a solution that will save Social Security without burdening middle-income Americans, and then suggest that somehow she's got a magic solution.

SENATOR CLINTON: But there are more progressive ways of doing it than, you know, lifting the cap. And I think we'll work it out. I have every confidence we're going to work it out. I know that we can make this happen.

MR. GIBSON: On that point, we're going to take a break, a commercial break. The Democratic debate from here in Philadelphia before the Pennsylvania primary will continue. Stay with us. We'll be back. (Applause.)

(Announcements.)

MR. GIBSON: Back to the Philadelphia Debate, the Democratic Debate, just less than a week now before the Pennsylvania primary.

And I would be remiss tonight if I didn't take note of the fact that today is the one-year anniversary of Virginia Tech. And I think it's fair to say that probably every American during this day, at one point or another, said a small prayer for the great people at that university and for those who died.

It also, I suspect, makes this an appropriate time to talk about guns. And it has not been talked about much in this campaign and it's an important issue in the state of Pennsylvania.

Both of you, in the past, have supported strong gun control measures. But now when I listen to you on the campaign, I hear you emphasizing that you believe in an individual's right to bear arms.

Both of you were strong advocates for licensing of guns. Both of you were strong advocates for the registration of guns.

Why don't you emphasize that now, Senator Clinton?

SENATOR CLINTON: Well, Charlie, on Friday, I was with Mayor Nutter, who's here, in West Philadelphia at the YMCA there, to talk about what we could do together to bring down the crime rate that has ravaged Philadelphia.

You know, more than one person, on average, a day is murdered in Philadelphia. And Mayor Nutter is very committed, as the mayor of this great city, to try to do what he can to stem the violence.

And what I said then is what I have been saying, that I will be a good partner, for cities like Philadelphia, as president. Because I will bring back the COPS program, the so-called COPS program, where we had 100,000 police on the street, which really helped drive down the crime rate and also helped create better community relations.

I will also work to reinstate the assault weapons ban. We had it during the 1990s. It really was an aid to our police officers, who are now once again, because it has lapsed -- the Republicans will not reinstate it -- are being outgunned on our streets by these military- style weapons.

I will also work to make sure that police departments in Philadelphia, Pittsburgh, Harrisburg, across America get access to the federal information that will enable them to track illegal guns, because the numbers are astounding. Probably 80 percent of the guns used in gun crimes are in the hands of that criminal, that gang member -- unfortunately, people who are sometimes, you know, mentally challenged -- because it got there illegally. And under the Republicans, that information was kept from local law enforcement.

So I believe that we can balance what I think is the right equation. I respect the Second Amendment. I respect the rights of lawful gun owners to own guns, to use their guns, but I also believe that most lawful gun owners whom I have spoken with for many years across our country also want to be sure that we keep those guns out of the wrong hands.

And as president, I will work to try to bridge this divide, which I think has been polarizing and, frankly,

doesn't reflect the common sense of the American people.

So we will strike the right balance to protect the constitutional right but to give people the feeling and the reality that they will be protected from guns in the wrong hands.

MR. GIBSON: Senator Obama, the District of Columbia has a law, it's had a law since 1976, it's now before the United States Supreme Court, that prohibits ownership of handguns, a sawed-off shotgun, a machine gun or a short-barreled rifle. Is that law consistent with an individual's right to bear arms?

SENATOR OBAMA: Well, Charlie, I confess I obviously haven't listened to the briefs and looked at all the evidence.

As a general principle, I believe that the Constitution confers an individual right to bear arms. But just because you have an individual right does not mean that the state or local government can't constrain the exercise of that right, and, you know, in the same way that we have a right to private property but local governments can establish zoning ordinances that determine how you can use it.

And I think that it is going to be important for us to reconcile what are two realities in this country.

There's the reality of gun ownership and the tradition of gun ownership that's passed on from generation to generation. You know, when you listen to people who have hunted, and they talk about the fact that they went hunting with their fathers or their mothers, then that is something that is deeply important to them and, culturally, they care about deeply.

But you also have the reality of what's happening here in Philadelphia and what's happening in Chicago.

And...

Mr. GIBSON: But do you still favor the registration of guns? Do you still favor the licensing of guns?

And in 1996, your campaign issued a questionnaire, and your writing was on the questionnaire that said you favored a ban on handguns.

SENATOR OBAMA: No, my writing wasn't on that particular questionnaire, Charlie. As I said, I have never favored an all-out ban on handguns.

What I think we can provide is common-sense approaches to the issue of illegal guns that are ending up on the streets. We can make sure that criminals don't have guns in their hands. We can make certain that those who are mentally deranged are not getting a hold of handguns. We can trace guns that have been used in crimes to unscrupulous gun dealers that may be selling to straw purchasers and dumping them on the streets.

The point is, is that what we have to do is get beyond the politics of this issue and figure out what, in fact, is working.

Look, in my hometown of Chicago, on the south side of Chicago, we've had 34 gun deaths last year of Chicago public school children.

And I think that most law-abiding gun owners all across America would recognize that it is perfectly appropriate for local communities and states and the federal government to try to figure out, how do we stop that kind of killing?

MR. STEPHANOPOULOS: Senator Clinton, you have a home in D.C.

Do you support the D.C. ban?

SENATOR CLINTON: You know, George, I want to give local communities the opportunity to have some authority over determining how to keep their citizens safe.

This case you're referring to, before the Supreme Court, is apparently dividing the Bush administration. You know, the Bush administration basically said, we don't have enough facts to know whether or not it is appropriate.

And Vice President Cheney who, you know, is a fourth special branch of government all unto himself -- (laughter) -- has actually filed a brief saying, oh, no, we have to, you know, we have to prevent D.C. from doing this.

So --

MR. STEPHANOPOULOS: But what do you think? Do you support it or not?

SENATOR CLINTON: Well, what I support is sensible regulation that is consistent with the constitutional right to own and bear arms.

MR. STEPHANOPOULOS: Is the D.C. ban consistent with that right?

SENATOR CLINTON: Well, I think a total ban, with no exceptions under any circumstances, might be found by the court not to be. But I don't know the facts.

But I don't think that should blow open a hole that says that D.C. or Philadelphia or anybody else cannot come up with sensible regulations to protect their people and keep, you know, machine guns and assault weapons out of the hands of folks who shouldn't have them.

MR. GIBSON: Well, with all due respect, and I'm not sure I got an answer from Senator Obama. But do you still favor licensing and registration of handguns?

SENATOR CLINTON: What I favor is what works in New York. You know, we have a set of rules in New York City and we have a totally different set of rules in the rest of the state. What might work in New York City is certainly not going to work in Montana. So, for the federal government to be having any kind of, you know, blanket rules that they're going to try to impose, I think doesn't make sense.

MR. STEPHANOPOULOS: But Senator, you were for that when you ran for Senate in New York.

SENATOR CLINTON: I was for -- I was for the New York rules, that's right. I was for the New York rules because they have worked over time. And there isn't a lot of uproar in New York about changing them, because I go to upstate New York, where we have a lot of hunters and people who are collectors and people

who are sport shooters; they have every reason to believe that their rights are being respected. You walk down the street with a police officer in Manhattan; he wants to be sure that there is some way of protecting him and protecting the people that are in his charge.

MR. STEPHANOPOULOS: Senator Obama, last May we talked about affirmative action, and you said at the time that affluent African Americans like your daughters should probably be treated as pretty advantaged when they apply to college, and that poor white children -- kids -- should get special consideration, affirmative action.

So, as president, how specifically would you recommend changing affirmative action policies so that affluent African Americans are not given advantages, and poor, less affluent whites are?

SENATOR OBAMA: Well, I think that the basic principle that should guide discussions not just on affirmative action but how we are admitting young people to college generally is, how do we make sure that we're providing ladders of opportunity for people? How do we make sure that every child in America has a decent shot in pursuing their dreams?

And race is still a factor in our society. And I think that for universities and other institutions to say, you know, we're going to take into account the hardships that somebody has experienced because they're black or Latino or because they're women --

MR. STEPHANOPOULOS: Even if they're wealthy?

SENATOR OBAMA: I think that's something that they can take into account, but it can only be in the context of looking at the whole situation of the young person. So if they look at my child and they say, you know, Malia and Sasha, they've had a pretty good deal, then that shouldn't be factored in. On the other hand, if there's a young white person who has been working hard, struggling, and has overcome great odds, that's something that should be taken into account.

So I still believe in affirmative action as a means of overcoming both historic and potentially current discrimination, but I think that it can't be a quota system and it can't be something that is simply applied without looking at the whole person, whether that person is black or white or Hispanic, male or female.

What we want to do is make sure that people who have been locked out of opportunity are going to be able to walk through those doors of opportunity in the future.

MR. STEPHANOPOULOS: Senator Clinton, would you agree to that kind of change?

SENATOR CLINTON: Well, here's the way I'd prefer to think about it.

I think we've got to have affirmative action generally to try to give more opportunities to young people from disadvantaged backgrounds -- whoever they are. That's why I'm a strong supporter of early childhood education and universal pre-kindergarten.

That's why I'm against No Child Left Behind as it is currently operating. And I would end it, because we can do so much better to have an education system that really focuses in on kids who need extra help.

That's why I'm in favor of much more college aid, not these outrageous predatory student loan rates that are charging people I've met, across Pennsylvania, 20, 25, 28 percent interest rates. Let's make college affordable again.

See, I think we have to look at what we're trying to achieve here somewhat differently. We do have a real gap. We have a gap in achievement. We have a gap in income. But we don't have a potential gap.

I think our job should be to try to create the conditions that enable people to live up to their God-given potential. And that means health care for everyone -- no exceptions, nobody left out. And it means taking a hard look at what we need to do to compete and win in the global economy.

So that's how I prefer to think about it. You know, let's affirmatively invest in our young people and make it possible for them to have a good middle-class life in today's much more competitive economy.

MR. GIBSON: We're running short on time. Let me just give some quick questions here, and let me give you a minute each to answer. What are you going to do about gas prices? It's getting to \$4 a gallon. It is killing truckers.

SENATOR CLINTON: That's right.

MR. GIBSON: People are in trouble. And yet the whole world pays a whole lot more for gas than we do. What are you going to do about it?

SENATOR CLINTON: Well, I met with a group of truckers in Harrisburg about a week and a half ago, and here's what I told them. Number one, we are going to investigate these gas prices. The federal government has certain tools that this administration will not use, in the Federal Trade Commission and other ways, through the Justice Department, because I believe there is market manipulation going on, particularly among energy traders. We've seen this movie before, in Enron, and we've got to get to the bottom to make sure we're not being taken advantage of.

Number two, I would quit putting oil into the Strategic Petroleum Reserve and I would release some to help drive the price down globally.

And thirdly, if there is any kind of gas tax moratorium, as some people are now proposing --

MR. GIBSON: Like John McCain.

SENATOR CLINTON: -- like John McCain, and some Democrats, frankly -- I think Senator Menendez and others have said that we may have to do something, because when you get to \$4-a-gallon gas, people are not going to be able to afford to drive to work. And what I would like to see us do is to say if we have that, then we should have a windfall profits tax on these outrageous profits of the oil companies, and put that money back into the highway trust fund, so that we don't lose out on repair and construction and rebuilding.

But ultimately, Charlie, we've got to have a long-term energy strategy. We are so much more dependent on foreign oil today than we were on 9/11, and that is a real indictment of our leadership. And I've laid out a comprehensive plan to move us toward energy independence that I hope I will have the opportunity to

implement as president.

MR. GIBSON: Very quickly, Senator Obama, I -- the same thing. But we've heard from politicians for a long time we're going to end dependence on foreign oil. I just have a quote: "The generation-long growth in our dependence on foreign oil will be stopped dead in its tracks right now." That was Jimmy Carter in 1979. And it's gotten a whole lot worse since then.

SENATOR OBAMA: Well, you're right. And that's why people are cynical, because decade after decade, we talk about energy policy or we talk about health care policy, and through Democratic and Republican administrations, nothing gets done.

Now, I think many of the steps that Senator Clinton outlined are similar to the plans that we talked about. It is absolutely true that we've got to investigate potential price gouging or market manipulation. I have strongly called for a windfall profits tax that can provide both consumers relief and also invest in renewable energies.

I think that long term, we're going to have to raise fuel efficiency standards on cars, because the only way that we're going to be able to reduce gas prices is if we reduce demand. You've still got a billion people in China, and maybe 700 million in India, who still want cars. And so the long-term trajectory is that we're going to have to get serious about increasing our fuel efficiency standards and investing in new technologies.

That's something I'm committed to doing. I've talked about spending \$150 billion over 10 years in an Apollo Project, a Manhattan Project to create the alternative energy strategies that will work not only for this generation but for the next.

MR. STEPHANOPOULOS: We're running out of time for this segment. Very quickly, for each of you, 30 seconds. Senator Clinton, you've said that you believe in using former presidents. How would you use George W. Bush if you were president? (Laughter.)

SENATOR CLINTON: I'm going to have to give some serious thought to that. (Laughter.) You know, I do believe that it's a way to unify our country. I thought that President Bush was right when he asked his father and Bill to represent us during the aftermath of the tsunami. I thought it sent a great message here at home and around the world. And I'm sure that there will be opportunities to ask all the former presidents to work on behalf of our nation.

You know, we've got to come together. And the former presidents really exemplify that, whether one agrees with them politically or not. When they're all together, representing our country, that sends a strong message. And I would look for a way to use all our former presidents, but that'll take some careful thought on my part. (Laughter.)

MR. STEPHANOPOULOS: Senator Obama.

SENATOR OBAMA: Well, you know, I think that having the advice and counsel of all former presidents is important. I'm probably more likely to ask advice of the current president's father than president himself because I think that when you look back at George H.W. Bush's foreign policy, it was a wise foreign policy.

And how we executed the Gulf War, how we managed the transition out of the Cold War, I think, is an example of how we can get bipartisan agreement. I don't think the Democrats have a monopoly on good ideas. I think that there are a lot of thoughtful Republicans out there.

The problem is, we've been locked in a divided politics for so long that we've stopped listening to each other. And I think that this president in particular has fed those divisions. That's something that we've tried to end in this campaign, and I think we're being successful.

MR. GIBSON: All right.

We're going to take one more commercial break, come back with a final question for both of you in just a moment.

(Announcements.)

MR. GIBSON: Final question, now, to finish what I think has been a fascinating debate, and I appreciate both of you being here -- thanking you in advance.

I -- it is hard to see how either one of you win this nomination on the basis of pledged delegates in primaries. And it could well come down to superdelegates. And I know you've been talking to them all along. But let's say you're at the convention in Denver, and you're talking to a group of 20 undecided superdelegates. How are you going to make the case to them why you're the better candidate and more electable in November?

What do you say to them -- minute-and-a-half each. And by a flip of the coin, Senator Clinton goes first.

SENATOR CLINTON: Well, I say to them what I've said to voters across America -- that we need a fighter back in the White House. We need someone who's going to take on the special interests.

And I have a plan to take away \$55 billion of the giveaways and the subsidies that the president and Congress have lavished on the drug companies and the oil companies and the insurance companies and Wall Street. And I have a plan to give that money back -- give it back in tax cuts to the middle class -- people who deserve it, who have been struggling under this president, who feel invisible, who feel like, you know, they're not even seen anymore.

And we're going to make everybody feel like they're part of the American family again. And we're going to tackle the problems that have been waiting for a champion back in the White House.

Now, obviously, I can't do this alone. I can only do it if I get people who believe in me and support me and who look at my track record and know that, you know, I've spent a lifetime trying to empower people, trying to fight for them.

And I think it's going to be challenging, but it is absolutely what we must do in order to keep faith with our country and to give our children the future that they deserve.

So I will tell everyone who listens that I'm ready to be the commander in chief. I've 35 generals and admirals, including two former chairmen of the Joint Chiefs of Staff, General Wesley Clark and others, who

believe that I am the person to lead us out of Iraq, to take on al Qaeda, to rebuild our military.

And I will turn this economy around. We will get back to shared prosperity and we will see once again that we can do this the right way so it's not just a government of the few, by the few and for the few. And I need your help. I need the help of the voters here in Pennsylvania, first and foremost, in order to be able to get to those conversations.

And I hope that I have demonstrated not just over the last weeks or even over the last hour and half but over a lifetime that you can count on me. You know where I stand. You know that I will fight for you and that together we're going to take back our country.

MR. GIBSON: Senator Obama.

SENATOR OBAMA: Well, when we started this campaign 15 months ago, it was based on a couple of simple principles: number one, that we were in a defining moment in our history. Our nation's at war. Our planet's in peril. Our economy is in a shambles. And most importantly, the American people have lost trust in their government, not just Democrats but independents and Republicans who've been disillusioned about promises that have been made election after election, decade after decade.

And the bet I was making was a bet on the American people; that they were tired of a politics that was about tearing about each other down, but wanted a politics that was about lifting the country up; that they didn't want spin and PR out of their elected officials, they wanted an honest conversation.

And most importantly, I believe that change does not happen from the top down, it happens from the bottom up. And that's why we decided we weren't going to take PAC money or money from federal registered lobbyists, that we were not going to be subject to special- interest influence, but instead were going to enlist the American people in a project of changing this country.

And during the course of these last 15 months, my bet's paid off because the American people have responded in record numbers, and not just people who are accustomed to participating, but people who haven't participated in years. I talked to a woman here in Pennsylvania, 70 years old, she whispered to me, "I've never voted before, but I'm going to vote in this election."

And so my point to the super delegates would be that if we're going to deliver on health care for every American, improve our schools, deliver on jobs, then it's going to be absolutely vital we form a new political coalition in this country. That's what we've been doing in this campaign, and that's what I'm going to do when I'm president of the United States of America.

MR. GIBSON: The audience has been very good in restraining themselves. I think a round of applause for Senators Obama and Clinton. (Applause.)

And that concludes tonight's Pennsylvania debate. We appreciate both of you and wish you both the best.

Thank you very much. (Applause continues.)

