



TRANSCRIPT: ABC News/Facebook/WMUR Republicans Debate

Six Republican Contenders Debate in New Hampshire

Jan. 5, 2008—

The following is a full transcript of the Republican presidential debate sponsored by ABC News, Facebook, and ABC affiliate WMUR. The debate took place on January 5, 2008, at St. Anselm College in Manchester, New Hampshire.

GIBSON: Good evening. I am Charlie Gibson from ABC News. And along with our partners in tonight's debate, our station here in New Hampshire, WMUR, and the popular Facebook Web site, I welcome you to what is a unique occasion. This is going to be a chance to hear from all the leading presidential candidates in both parties in one night.

We have two debates -- the Republican debate, then the Democratic debate -- coming within moments of one another. And tonight we have one mission. That is to give voters a better idea of the candidates, their principles, their characters, their positions on the issues.

Now, we set some criteria for these debates which we felt were highly inclusive. The top four finishers in Iowa, plus any candidate with 5 percent support in an established New Hampshire or national poll. They only had to have 5 percent support in any one of eight polls.

Now, that resulted in invitations being issued yesterday to six Republicans -- Rudy Giuliani, Mike Huckabee, John McCain, Ron Paul, Mitt Romney and Fred Thompson -- as well as four Democrats -- Hillary Clinton, John Edwards, Barack Obama and Bill Richardson -- all of whom will join us tonight.

GIBSON: Now, the candidates have debated often, and they have taken an awful lot of questions. So we have tried to fashion a format in which they will talk more to one another.

We're going to take the first 45 minutes of each debate, and for 15 minutes each, I will put three topics on the table and then, to the extent possible, sort of stay out of the way.

There are no lights that will limit the length the candidates can speak for that portion of the debate, but I will keep them move on, interrupting, I hope not impolitely.

It is my hope -- and I've expressed this to the candidates' camps -- that their discussion will be lively, informative, will point out the differences they have on the issues being discussed, and that they will talk to one another.

For the second half of each debate, I'll be joined by Scott Spradling. He's political director of WMUR, and we will have questions in a more traditional format.

GIBSON: We have an audience here at St. Anselm of about 500 people. And I've asked them to refrain from applause to keep the discussions going without interruption.

So with that, we will spend a few minutes getting ready for the first debate.

And I will turn things over, for the moment, to my colleagues Diane Sawyer and George Stephanopoulos.

SAWYER: And good evening to you, Charlie.

It is so exciting just to see the high stakes arena where the candidates are about to appear. They're waiting off-stage. They'll be getting their microphones checked.

And George Stephanopoulos and I were talking about the human endurance that it takes to come to this pivotal moment.

STEPHANOPOULOS: Diane, these guys must be running on fumes right now. They have been going for 10, 15 days straight, on three, four hours of sleep a night.

Yet, because this debate is so important, only three days before New Hampshire, they have to be at the top of their game tonight.

SAWYER: And most of them had nine, 10 appearances already today.

But we have some news for you tonight. Some real caucus votes -- more caucus votes -- coming in from Wyoming.

STEPHANOPOULOS: That's right.

On the Republican side, Mitt Romney has had a big win today. There was a caucus on Wyoming. He won more than 70 percent of the votes, almost all of the delegate stake; a good moral victory for him after that loss in Iowa.

SAWYER: And we also have a brand new poll out tonight from our New Hampshire affiliate, WMUR, cosponsors of tonight's debate. So here's how it looks for these candidates as they poll tonight, as they gather.

For the Democrats, Senator Clinton and Senator Obama are in a dead heat, tied at 33 percent each; John Edwards gaining a bit with 20 percent; and Bill Richardson in fourth with 4 percent.

Senator Obama, of course, gained some ground, moved up about 3 percent at this point in the story.

STEPHANOPOULOS: He did.

And on the Republican side, John McCain is moving up as well. He's now at 33 percent, leading by 6 points over Mitt Romney at 27 percent. Rudy Giuliani holding onto third place at 14 percent, ahead of Mike Huckabee at 11 percent, who, of course, won those caucuses in Iowa just this Thursday night.

SAWYER: And we want everybody out there to know that throughout the night we'll be checking in with our pros at ABC News standing by in the spin room, so named because the candidates' teams flood the room, trying to shape tomorrow's headlines.

And we also have the instant views of all Americans on Facebook, the popular Web site with more than 60 million active users. And Charlie's going to be using questions from the site tonight as well.

ABC's Bianna Golodryga at our Facebook command center.

Bianna?

GOLODRYGA: Good evening, Diane.

Already, more than 1 million people have activated the U.S. politics application on Facebook right now. We already know that there are hundreds of thousands of people taking part in debates. They're answering questions that we've thrown at them, real-time questions for them to answer.

And it's so easy. We invite all of you to participate throughout the evening as well.

Here's what you do. You go to abcnews.com, and you click on politics. Then click on the Facebook button, and you join the debate.

And while the presidential candidates debate on television, Americans can join the debate online and get real-time,

behind-the-scenes updates from our reporters who are tracking all of the candidates live.

Diane, we will be updating this throughout the night, checking in with all of our debaters and getting back to you.

SAWYER: All right. A giant conversation taking place tonight.

And you should know, by the way, that we will not be using Facebook to declare winners or losers tonight. You and the voters of New Hampshire are going to do that.

STEPHANOPOULOS: We did want to get a sense of what the voters of New Hampshire are thinking, so went out in the streets and the snowy hills and got a sense of it.

(BEGIN VIDEO CLIP)

(UNKNOWN): National security is the issue that I'm most concerned about. That's going to affect my family and my children. Yes, I mean, security is everything to me.

(UNKNOWN): The rising cost of health care. I want to make sure that everyone is covered, but I want to come up with a good plan that works for everyone.

(UNKNOWN): I have no problem with the legal immigrants, but the illegals, I would just like to see the candidates expand more on it and be firm on it.

(UNKNOWN): Being a fisherman, I think that the fuel prices for a lot of working people is one of the major things that I'm concerned about.

(UNKNOWN): My son is in the military. He's done almost his four years in the Marines. I'd like to have somebody say a good plan on how to get us out of there, instead of just promises on what they could do or they should do.

(UNKNOWN): What are you going to do?

(END VIDEO CLIP)

SAWYER: And a reminder that tonight's debates are not just about policy, but the real lives of Americans.

So coming into the debates, what about Iowa? Let's review what happened there.

Former Governor Mike Huckabee ruled the day with 34 percent; a decisive win over Mitt Romney, who took 25 percent. Fred Thompson, John McCain tied for third with 13 percent each. And that was it for the Republicans.

STEPHANOPOULOS: And that shows, I mean, it gives us a good sense of what they have on the line tonight -- what the candidates have on the line tonight, Diane.

And I think because Mitt Romney came in second in Iowa, he's got the most on the line tonight. His whole strategy was predicated on winning in Iowa, winning here in New Hampshire.

And he's got one job to do tonight. That is, to stop John McCain, who has the momentum right now. He's going to try to paint McCain as a creature of Washington.

For McCain, he's got to remind people what they loved about him eight years ago. Remember...

SAWYER: He was the maverick, won big: 19 percentage points?

STEPHANOPOULOS: Won big. He beat George Bush big here eight years ago. Lost his mojo last year but it's coming back right now. He's going to emphasize national security.

For the winner in Iowa, Mike Huckabee, this is not a home field for him. Not a lot of social conservatives, evangelicals here, so he's just got to make no mistakes.

Rudy Giuliani has to get back in the game. He tried in New Hampshire but he fell back in November. He's got to do something big to make sure that Mike Huckabee doesn't pass him.

SAWYER: All right, George, thanks to you.

Well, it is time for the great debate to begin. Let's go to Charlie Gibson at St. Anselm College in Manchester, New Hampshire.

Charlie?

GIBSON: Thanks very much, Diane.

And we have been joined on the stage by the six leading Republican candidates for the Republican nomination for president. And I want to introduce them to you from left to right.

The positions in which they sit were drawn by lot, and so let me introduce them from left to right: Senator John McCain from the state of Arizona, former Senator Fred Thompson from Tennessee, Congressman Ron Paul from Texas, former Governor Mitt Romney of Massachusetts, former Governor Mike Huckabee from Arkansas, and former Mayor Rudy Giuliani from the city of New York.

And, gentlemen, just at the risk of being repetitive, I hope you will take the questions posed in these first 45 minutes and I hope, to the extent we can, discuss them among yourselves.

GIBSON: This is not about me asking questions, as I told the national audience a few moments ago, but about you talking to one another, pointing up the differences between yourselves.

I hope you will think of this as sort of a semi-circular dining room table. We were a little chintzy on the food, but I hope you will look at it that way.

(LAUGHTER)

I thank you all for being here and I genuinely look forward to this, so let us begin. And I'll start the stop-watch.

President Bush said in his end-of-the-year news conference, "During the primaries and during the general election I suspect my name may come up a lot." So let's bring it up.

I want to start with foreign policy. Just to set some context, we've got a little background here from ABC's Jonathan Karl.

(BEGIN VIDEOTAPE)

JONATHAN KARL, ABC CORRESPONDENT: When he was on the debate stage eight years ago...

GOV. GEORGE W. BUSH, R-TX: If we're an arrogant nation, they'll resent us. If we're a humble nation...

KARL: ... candidate George Bush promised a humble foreign policy.

After September 11, a new Bush doctrine: the United States would hit its enemies before they hit us.

KARL: Hence, the Iraq war.

On terrorism, President Bush told the world you're either with us or you're against us. With the second term, an even bolder vision.

PRESIDENT GEORGE W. BUSH: With the ultimate goal of ending tyranny in our world.

(END VIDEOTAPE)

KARL: Sounding like Woodrow Wilson, the president vowed to push for democracy everywhere.

There are exceptions. Support for Musharraf in Pakistan, for example, and the nuclear deal offered to North Korea.

From the axis of evil to nation-building in Iraq and Afghanistan, the Bush policy has been bold but not exactly humble.

Charlie?

GIBSON: So, let me start with a general question: If you are the nominee, will you run on the Bush foreign policy record, or will you run away from it?

And, Governor Huckabee, let me start with you, because it was you who wrote that the Bush foreign policy reflects an arrogant bunker mentality.

HUCKABEE: And when I made those statements, I was speaking to the fact that there were times when we gave the world the impression that we were going to ignore what they thought or what they felt, and we were going to do whatever it is we wanted to do.

And the fact is, we're going to do what is best for the American people. And as president, I will always act in the best interest of our country.

But I'll always try to make sure that we're the strongest nation on Earth, the most powerful, the most prepared, but also the one that uses that strength in a very, very understanding way of making sure that when we use the strength we use it with full understanding of the implications of it.

Let me just finish the thought, Charlie, if I may.

There were times when the arrogance was reflected, for example, in the former defense secretary who, despite getting advice from the Defense Department that we would need 400,000 troops to be able to successfully bring stability to Iraq, insisted that we would only use 180,000 troops and we would go in with a light footprint.

HUCKABEE: And there was one particular statement that he made that I found especially troubling. He said, "We don't go to war with the army that we want; we go to war with the army that we have."

I felt that the proper way for us to approach this is we don't go to war with the army we have, we go to war with the army that we need, and we make sure that we have what we need before we go to war, including a clear definition of what we're going to do, irresistible force when we do it, and once we do it, we don't let the politicians interfere or interrupt the battlefield decisions of the commanders with blood on their boots and medals on their chest.

GIBSON: Senator Thompson?

THOMPSON: Well, I think that maybe the governor has rethought his comments that he made about an arrogant foreign policy, because it seems now what he's saying is that we were arrogant because we didn't go in with enough troops.

THOMPSON: I think that's kind of a different impression than the one that he originally sought to leave.

I don't think our foreign policy has been arrogant. Presidents are not perfect; policies are not perfect.

But the bottom line is, we are in a global war with radical Islam. They declared on us -- war on us a long, long time ago. We took note, really, for the first time on September 11 of 2001.

We must do whatever is necessary to protect ourselves.

We weren't considered to be arrogant in Afghanistan when we went in there and won that conflict.

I agree that we made a mistake in terms of going into Iraq as far as the number of troops are concerned. And I think a flawed strategy also. I think that's been rectified now. And I think we're on the -- on the way to prevailing there.

And because we are prevailing there, I think it's going to be for a safer United States of America.

GIBSON: Mayor Giuliani, would you run on the president's foreign policy record or away from it?

GIULIANI: I think you run on your foreign policy ideas, theories and policies, which I've laid out in articles.

And I think the president got the big decision of his presidency right: the big decision that he made on September 20th, 2001, when he put us on offense against Islamic terrorism. And I give him great credit for that. Because we had been dealing with Islamic terrorism incorrectly up until then. We had been on defense. We had been responding.

The president set a whole different mindset. It was: Let's anticipate, let's see if we can prevent another attack.

That led to Afghanistan, it led to Iraq, it's led to the Patriot Act, it's led to electronic surveillance, it's led to changing our intelligence services. All that is very, very good.

Mistakes have also been made. Mistakes were made particularly in the period of time after the capture of Saddam Hussein and, now, a year ago, when we got to the surge policy.

GIBSON: Well, let me bring up...

GIULIANI: And...

GIBSON: I'm sorry. Go ahead.

GIULIANI: ... if I may add, I think one of the things that would help answer some of the issues that have come up is, we should increase the size of our military.

Bill Clinton cut the military drastically. It was called the peace dividend, one of those nice-sounding phrases: very devastating. It was a 25, 30 percent cut in the military.

President Bush has never made up for that. Our Army had been at 725,000; it's down to 500,000. We need at least 10 more combat brigades. We need our Marines at 200,000. We need a 300-ship Navy.

This president should do it now. If I'm president, I'll do it immediately.

GIBSON: Let me just ratchet up the question slightly and ask you if you believe in the Bush doctrine.

Because in September 2002 -- up for years, our foreign policy has been based on the idea that we form alliances, international consensus. We attack -- retaliate if we're attacked.

But in 2002, the president said we have a right to a pre-emptive attack, that we can attack if this country feels threatened.

GIBSON: And on that basis, WMD, we went into Iraq. We've cited the threat of a nuclear Iran to leave the military option on the table.

Do you agree with the doctrine, Senator McCain, if you were president, or would you change it?

MCCAIN: I agree with the doctrine.

And I'd also like to give President Bush a little credit, as we have this discussion.

Right after 9/11, every expert in the world said there would be another attack on the United States of America. There hasn't been.

Now, maybe that's all by accident. But if there had been, I think it's very clear where the responsibility would have been placed. So I think we ought to give him credit for that.

We went through the greatest reorganization of government since the creation of the Defense Department and the creation of the Defense -- Department of Homeland Security.

And America is safer. America is not safe; America is safer.

MCCAIN: I'd like to give the president some credit for that.

Now, I strongly disagreed with the strategy employed by Secretary Rumsfeld.

And by the way, I'm the only one here that disagreed at the time, and I'm the only one at the time that said we've got to employ a new strategy and outlined what it was, which is the Petraeus strategy.

I said at the time I had no confidence in the then-secretary of defense.

But we are succeeding now in Iraq. And the fact is as we blame the president for the failed strategy, we should give him credit for changing the strategy and changing the leadership so that we now have I think one of the finest military leaders in American history in David Petraeus.

So, look, I think we've got enormous challenges ahead of us. I think the transcendent challenge of the 21st century is radical Islamic extremists.

And the way, I'd like to give my friend the mayor for the great job that he did after 9/11 and the way that he and the president rallied this nation.

MCCAIN: But I know how to lead, I've been involved in these issues, and I know how to solve them.

GIBSON: Congressman Paul, let me ask you, do you agree with the Bush doctrine, or would you change it?

PAUL: Well, I certainly agreed with his foreign policy that he ran on and that we, as Republicans, won in year 2000. You know, the humble foreign policy, no nation building, don't be the policeman of the world.

And we were strongly critical of the policy of the Clinton administration that did the opposite and we fell short. Of course, the excuse is that 9/11 changed everything.

But the Bush doctrine of preemptive war is not a minor change; this is huge. This is the first time we, as a nation, accept as our policy that we start the wars. I don't understand this.

And that all options are on the table to go after Iran?

This is not necessary. These are Third World nations. They're not capable.

But I think it's the misunderstanding or the disagreements that we've had in this debate along the campaign trail is the nature of the threat.

PAUL: I'm as concerned about the nature of the threat of terrorism as anybody, if not more so. But they don't attack us because we're free and prosperous.

And there all radicals in all elements, in all religions that will resort to violence. But if we don't understand that the reaction is, is because we invade their countries and occupy their countries, we have bases in their country -- and we haven't done it just since 9/11, but we have done that a long time.

I mean, it was the Air Force base in Saudi Arabia before 9/11 that was given as the excuse.

If we don't understand that, we can't win this war against terrorism.

GIBSON: You can break in here, Governor Romney.

ROMNEY: Well, unfortunately, Ron, you need a thorough understanding of what radical jihad is, what the movement

is, what its intent is, where it flows from. And the fact is that it's trying to bring down not just us, but it's trying to bring down all moderate Islamic governments, Western governments around the world, as we just saw in Pakistan.

ROMNEY: But let's step back with regards to the president.

The president is not arrogant. The president does not subject -- or is not subject to a bunker mentality. The president has acted out of his desire to keep America safe.

And we owe him a debt of gratitude for keeping this country safe over the last six years.

(CROSSTALK)

ROMNEY: Let me continue with my own thoughts on the issue of do we follow his policy or create a new one.

He did the right thing in responding and reacting to the fact that we got attacked. And people now recognize: You attack America and there is a response.

But we're going to have to move our strategy from simply being a respond to military threat with military action to an effort that says we're going to use our military and nonmilitary resources -- nonmilitary resources -- combined with other nations who are our friends to help move the world of Islam toward modernity and moderation.

It's something that former Prime Minister Aznar of Spain spoke about. The new mission for NATO and for other nations is to help provide the rule of law, education that's not through madrassas, agricultural and economic policies that can be instilled in various Islamic countries, so the Muslims are able to reject the extreme and the terrorists.

ROMNEY: We can help them. Our military's going to be needed.

We do need -- I agree with what the mayor said -- we need to add to our military by at least 100,000 troops. But the answer is to move now to a second phase, a phase of helping Muslims become so strong they can reject the extreme.

THOMPSON: Charlie, is this subject still open?

GIBSON: Sure.

THOMPSON: Can we comment on that?

I served on the Intelligence Committee in the Senate. I was the floor manager for the Republicans on the homeland security bill, so I have a bit of a different vantage point than some of my colleagues on this.

The question had to do with preemption.

Preemption didn't just appear one day as a good idea. After the Cold War, we had one big enemy and one big weapon against us. When we, kind of, took a holiday from history in the 1990s and let our military slide and our intelligence capability slide, the world was changing. We now have multiple enemies. We now have terrorists and terrorist groups, Al Qaida, rogue nations in different stages of developing nuclear weapons.

THOMPSON: We must be prepared for the different kind of weaponry that we're facing. We could be attacked with a biological weapon and not even know it for a long period of time. This is a different world.

So, instead of mutual assured destruction, which we lived under for a long time, it's now a world where preemption has got to be an option under the right circumstances.

GIBSON: So you would keep the Bush policy?

THOMPSON: Things that happen on the other side of the world sometimes can affect us, such as perhaps Pakistan.

We should only go in where we should and where we're able to.

GIBSON: Let me...

GIULIANI: Charlie?

GIBSON: Yeah, go ahead.

GIULIANI: Just make one point.

Ron's analysis is really seriously flawed. The idea that the attack took place because of American foreign policy is precisely the reason I handed back a \$10 million check to a Saudi prince who gave me the money at ground zero for the twin towers fund and then put out a press release saying America should change its foreign policy.

GIULIANI: It seems to me, if you don't face this squarely -- there's an Islamic, terrorism threat against us. It's an existential threat. It has nothing to do with our foreign policy. It has to do with their ideas, their theories, the things that they have done and the way they've perverted their religion into a hatred of us.

And what's at stake are the things that are best about us: our freedom of religion, our freedom for women, our right to vote, our free economic system.

Our foreign policy is irrelevant -- totally irrelevant. If you read what they write, if you bother to listen to what they say, this comes out of their own perverted thinking.

PAUL: Charlie?

GIBSON: Go ahead.

PAUL: Let me try to explain so you can understand this better.

Try to visualize how we would react if they did that to us, if a country, say China, came that great distance across the ocean, and they say, "We want you to live like us. We want you to have our economic system. We want bases on your land. We want to protect our oil."

Even if we do that with good intentions -- even if the Chinese did that with good intentions, we would all be together and we'd be furious.

(CROSSTALK)

ROMNEY: Ron, you're reading their propaganda. You're reading their propaganda.

PAUL: What would you do if the Chinese...

(CROSSTALK)

ROMNEY: I'd read their writings.

PAUL: What would you do?

ROMNEY: I'd read what they write to one another. And that's why when someone like Sayyid Qutb lays out the philosophy of radical jihadism and says, "We want to kill..."

PAUL: And what you're saying...

ROMNEY: Let me complete.

Wants to kill Anwar Sadat, when there's the assassination of Anwar Sadat, it has nothing to do with us.

The reason -- why did they kill Madam Bhutto? It has nothing to do with us. This has to do with a battle that is going on within the world of Islam, of radical, violent jihadists trying to bring down all moderate Islamic people and nations

and replace them with a religious caliphate.

(CROSSTALK)

ROMNEY: And we are doing our very best to help support the voices of moderation.

They tried it in the Philippines.

THOMPSON: Who have we invaded before 9/11?

PAUL: We were occupying...

THOMPSON: Occupying?

PAUL: We had an air base in Saudi Arabia.

THOMPSON: A base? (CROSSTALK)

PAUL: We have propped up -- how many governments have we propped up?

GIBSON: Just before we -- before we stop, Governor, I owe you a few seconds. Because you -- somebody said, no, Senator Thompson said we're not arrogant, we're not bunker mentality.

(CROSSTALK)

HUCKABEE: Well, and those words -- first of all, Governor Romney, you, yourself on "60 Minutes" said that we had left Iraq in a mess. You've also said that you weren't going to have this "my way or no way" philosophy.

And I've been attacked for using the words: a policy that had an arrogance and bunker mentality. I didn't say the president was. I supported the president in the war before you did. I supported the surge when you didn't.

I'm not a person who is out there taking cheap shots at the president. I worked really hard to get him elected.

But I'm not running for George Bush's third term. I want to be president of the United States on my own terms.

And I think it's important for us to recognize...

ROMNEY: Charlie, I get to respond to that.

HUCKABEE: Let me finish this. When Congressman...

(CROSSTALK)

PAUL: ... I get a chance to respond.

(CROSSTALK)

HUCKABEE: The fact is when there is a serious threat to this country, it is not a threat because we happen to be peace-loving people. It's a threat because in the heart of the radical Islamic faith -- not all Islam, and that's what's very important.

This isn't an Islamic problem. This is a jihadist problem. This is an Islamo-fascism problem.

And if you read the writings of those who most influenced -- and Governor Romney mentioned Sayyid Qutb, executed in Egypt in 1966. He is one of the major philosophers behind this.

And the fact is, there is nothing about our attacking them that prompts this. They are prompted by the fact they believe that they must establish a worldwide caliphate that has nothing to do with us other than we live and breathe and their intention is to destroy us.

GIBSON: Very quickly. You after Governor Romney.

ROMNEY: A number of things.

I disagree with the governor writing in Foreign Affairs magazine that the president's administration suffers from an arrogant bunker mentality.

HUCKABEE: Did you read the article before you commented on it?

ROMNEY: I did read the article, the whole article. I read the entire article and I thought it was -- well, I won't make any further comments. It was not...

(CROSSTALK)

HUCKABEE: Before you commented on it?

ROMNEY: Before -- I got a copy of the article and read the article. And in the headline of the article, it said, "The Bush..."

MCCAIN: Did you read mine?

(LAUGHTER)

(CROSSTALK)

ROMNEY: No, no, hold on.

John, no, I didn't. Sorry. But I read his.

(LAUGHTER)

ROMNEY: And number two...

(UNKNOWN): What about mine?

ROMNEY: Number two -- number two, I did support the surge. It was Senator McCain, of all of us, who was out fighting for the surge. He right on that.

On the same day the president announced the surge, I also, having spoken that day with Fred Kagan, who's one of the brilliant theorists in this regard, I laid out my plan that I thought made sense -- actually even before the president's speech -- calling for additional troops. I called for a different number.

So I also supported the surge from the very beginning.

ROMNEY: But, look, you know, Governor, don't try and characterize my position. Of course, this war...

HUCKABEE: Which one?

(LAUGHTER)

ROMNEY: You know, we're wise to talk about policies and not to make personal attacks.

HUCKABEE: Well, it's not a personal attack, Mitt, because you also supported a timed withdrawal. And Senator Pryor from my state...

ROMNEY: No, that's...

HUCKABEE: ... was praising you for that, and...

ROMNEY: I do not support and have never supported a timed withdrawal, so that's wrong, Governor.

You know, it's really helpful if you talk about your policies and the things you believe, and let me talk about my policies.

And my policy is, I've never talked about a timed withdrawal with a date certain for us to leave. That's not the case. Simply wrong.

I've also supported the troop surge, Governor, and I supported it on the same day the president brought it forward.

And the critical thing here is for us to stand together and to say, "I think we do agree with the troop surge. We believe that the troops surge is going to make an enormous difference for the world and protect us from the establishment of safe havens from which Al Qaida could launch attacks against us."

GIBSON: Very quickly.

PAUL: There's always a radical element in almost all religions. They have to have an incentive. We give them that incentive.

The question that you don't -- aren't willing to ask is, why is it that they attack America? I mean, they don't attack the Canadians. They don't attack the Swiss. If it were merely because they wanted to go into Europe, why do they...

(CROSSTALK) ROMNEY: Is it such a puzzle?

ROMNEY: Is it such a mystery as to why they attack America?

PAUL: It is...

ROMNEY: They're not going after Luxembourg.

(LAUGHTER)

PAUL: It is because we've gone six...

GIULIANI: Ron, Ron...

ROMNEY: We're the strongest nation in the world.

PAUL: We have...

GIULIANI: Ron, it's simply not true.

Islamic terrorists killed over 500 Americans before September 11, 2001, going back to the late 1960s. They have also killed people recently in Bali, in London. They have launched attacks in Germany.

(UNKNOWN): Madrid.

GIULIANI: Where did the attack on the Munich Olympics take place: in the United States, or did it take place in Germany?

GIBSON: All right. Let me stop this...

GIULIANI: I could go on and on. The attack on Leon Klinghoffer.

Islamic terrorists have attacked us...

PAUL: You paint all Islamics...

GIULIANI: ... and our allies all over the world...

PAUL: ... the same way, and this is a dangerous thing...

(CROSSTALK)

ROMNEY: No, of course not.

GIBSON: Gentlemen...

PAUL: What you're doing is damaging our relationship by destroying our relationship with all Muslims. That's what you're doing.

GIULIANI: I do not.

(CROSSTALK)

THOMPSON: Charlie, you started it.

(LAUGHTER)

GIBSON: I did start it. Yes, I did.

GIULIANI: Charlie, you wanted a free-for-all.

It is important to make this point. Just the opposite, Ron. I have great respect for the Islamic religion. I have great respect for the Arab world, for the Middle East.

I think we should be closer to them. I think we should trade more with them. I think we should have cultural exchanges with them.

The overwhelming majority of the Islamic world...

PAUL: Why do we support their dictators, then? Why do we prop up all their dictators?

GIBSON: (inaudible)

GIULIANI: ... and on the evening of September 11, 2001, the day my city was attacked, I got on television, and I said to the people of my city, "We're not going to engage in group blame. This is a small group of people. This does not typify a great religion and a great people."

GIULIANI: I do not accept that criticism.

(CROSSTALK)

GIBSON: I'm going to move on to domestic policy. And I'm going to violate a promise that I made to all of your campaigns.

I promised that we wouldn't do any questions on video tape, questions from somebody outside this room. But I'm going to violate it with a question from the president of the United States, who posed a question that I think is important about all of you, posed a question at his last news conference about what he thought candidates ought to be as they ran.

GIBSON: Take a look.

(BEGIN VIDEO CLIP)

BUSH: You can't be the president unless you have a firm set of principles to guide you as you sort through all the problems the world faces.

And I would be very hesitant to support somebody who relied upon opinion polls and focus groups to define a way

forward for a president.

It is -- and so, my question, if I were asking questions to people running for office, what are the principles that you will stand on, in good times and bad times? What would be the underpinning of your decisions?

(END VIDEO CLIP)

GIBSON: What are the principles, and are they constant?

GIBSON: You all have been questioning, as I've watched you campaign, you've all been questioning your opponents.

And I'm going to ask, Senator McCain, you and Governor Romney, because you two have been going at each other, in interviews and in ads about this, of the constancy of your principles or whether or not you look to opinion polls and focus groups to make up your minds.

So let me have the two of you dialogue with each other about this and answer the president's questions, and then I'll bring the other four in and give them equal time.

MCCAIN: The principles and philosophy that I hold, I have held since I raised my hand at age 17 as a midshipman at the United States Naval Academy to uphold this nation's honor; to serve it; call Americans to sacrifice and serve for their nation and defend the greatest nation in the history of the world.

Now we need to restore trust and confidence in government. Now we are in a titanic, transcendent struggle of the 21st century, which we have been discussing earlier.

MCCAIN: I believe that for the last 20 years, I've been engaged in every major national security issue that has affected this nation. And I have been involved in many of the decisions as to how those are handled.

And I again say that I'm glad to know that now everybody supported the surge.

I said at the time that General Petraeus and his strategy must be employed, and I was criticized by Republicans at that time. And that was a low point, but I stuck to it. I didn't change. I didn't say we needed a secret plan for withdrawal.

I said that we can prevail, and as General Petraeus has said, this is the central front in the battle against radical Islamic extremists. We are succeeding.

And I will believe that if we had done what the Democrats had wanted to do, Al Qaida would be trumpeting to the world that they defeated the United States of America.

So my principles and my philosophy are those embodied in those words that we believe that all of us are created equal and endowed by our creator with certain inalienable rights.

MCCAIN: I will defend those. I believe in them. And I believe America's best days are ahead of us.

ROMNEY: Charlie, when I sat down with my family and had the discussion about whether or not to get into this race, we went around the room and each one of my five sons and five daughters-in-law expressed their views. And it's because of them and because of my concern about the future of America that I'm in this race.

I'm convinced that America is the greatest nation on Earth, that we are a good nation and a strong nation. And we are safe and prosperous in part because of our greatness and our strength.

I'm concerned, though, right now, we face challenges of such an unprecedented nature that unless we deal with them honestly and effectively, America will become less of a nation than it needs to be to preserve the peace here and the peace around the world.

ROMNEY: And I believe it's essential for America to stand for principles of an eternal nature.

I think at the heart of our strength is the family. I don't think there's anything more important to the future of America

than the work that's going on within the four walls of the American home.

I think we have to strengthen America's families. I think we have to have good schools and good health care for them, moms and dads tending to the needs of kids, that we have to have better schools and better health care.

I believe, also, that this nation has to have a strong and vibrant economy. I don't think we can lead the world unless we have the leading economy. And finally a strong military to keep us safe.

So, my overriding principle is keeping America the strongest nation on earth. And there'll be a lot of choices and pulls and tugs in different directions, but keeping America strong through all those elements, through our families and our values, through our economy and its vibrancy, and through our military, is what is essential to me for the future of this land.

GIBSON: All right. Let me turn to Mayor Giuliani.

I must say, you don't sound like two guys who've been sniping at one another over and over in your ads and interviews.

(LAUGHTER)

You sound different.

Mayor Giuliani?

GIULIANI: I think what the president had in mind is that at the core of leadership is knowing what you believe, standing for something.

Ronald Reagan was my hero in that respect. I wrote about it in my book, "Leadership." And I think one of the things President Bush was getting at is that too many people in politics today put their finger up and go with the poll.

You know, you can see it in some of our Democratic colleagues, changing their position...

GIBSON: But let me interrupt you for...

GIULIANI: What do I stand for?

I laid out 12 commitments to the American people. I wrote them out. The first one is the most important: keeping this country on offense in the Islamic terrorist war against us.

The rest of them lay out what I believe this country has to do over the next four years. That would be my guidepost. If I'm elected president, I'll put that card on my desk. And every day I will try to accomplish it.

End illegal immigration. Solve health care through private options. Reduce taxes. Reduce the size of government on the civilian side.

GIULIANI: Expand the military. Appoint strict constructionist judges.

These'll be the beliefs that I have, the way Ronald Reagan got elected to increase the size of the military, to reduce taxes.

GIBSON: Let me interrupt you for just a sec, because, with all due respect, many of your fellows here on this stage have said you'd had to moderate an awful lot of your views to get within the mainstream of the Republican Party, and that you don't believe now what you believed when you were a mayor.

Governor Huckabee, you've been accused of having been a tax-and-spend governor when you were in Arkansas and changing your beliefs now.

Governor Romney, I don't have to go into how many times they've told -- called you a flip-flopper in terms of issues and what you believed as governor of Massachusetts.

Congressman Paul, with respect to you, I don't know that you've changed much, except your party...

(LAUGHTER)

... because you were a Libertarian when you first ran for president.

Senator Thompson has been accused of running on a more conservative record for president than when he was in the Senate.

And, Senator McCain, you've been accused of moderating your views on the Bush tax policies in order to get into the mainstream of the party and on immigration, to moderate your views.

GIULIANI: Charlie, that's the reason why you lay out the things that you believe in.

GIULIANI: There are beliefs that you have that you're not going to vary from, no matter what the winds of change bring about. There are some that you are going to change.

Look at Ronald Reagan. Ronald Reagan had three prime goals: to increase the size of the military to win the Cold War, to reduce taxes and to reduce the deficit. He accomplished two of the three. The third one he wasn't able to accomplish, probably because the first two, in his view, were more important.

So of course you can't accomplish every single thing that you want. Over a period of time, your views on things are going to change. But if your essential philosophy stays the same, the way it did with Ronald Reagan, the way it did with our great presidents, that's what leadership is about.

GIBSON: Governor Huckabee?

HUCKABEE: Well, Charlie, I think the question the president was asking was not as much about our policies, because those can change with each generation, with each year, with each circumstances, but the principles -- what is it that's deep inside of us, that guide us, that direct us, that show the framework of what we're going to do?

And I think the simple answer for me is all the way back to the document that gave us birth.

HUCKABEE: And it goes like this: That we hold these truths to be self-evident, that we are endowed by our creator with certain inalienable rights, these being life, liberty, and the pursuit of happiness, that we are created equal.

In that sense of equality, the greatest principle is that every human being and every American is equal to each other. One person is not more equal because of his net worth or because of his I.Q. or because of his ancestry or last name.

That was a radical idea when those 56 signers put their names on that document, knowing that if their experiment in government didn't work, they were going to die for it.

Those are principles. Those are things that you'll live for, you'll die for. That sense that all of us have an essence of equality and that the primary purpose of a government is to recognize that those rights did not come from government, they came from God, they are to be protected, and then defined as the right to a life, the right to liberty -- our freedom -- to live our lives like we want to live them without government telling us how to do it. And ultimately, not to be happy, but to have the pursuit of happiness. That's our principles.

GIBSON: And I take your statement. It is an interesting statement of the basis that we all believe in this country.

GIBSON: But you started by saying: But we can change our policies -- -- how often did you say?

HUCKABEE: Our policies often reflect what's going on at the time. For example, if the primary thing we are facing is war, then we're going to be talking about military size and military might. If we have a problem with illegal immigration, the number one issue right now might be securing the borders.

I'm not saying we change our positions, but we change the policies in terms of the priority, but those principles don't change. The principles are still to make sure that we recognize the equality of each other and that we recognize where

those rights come from and what those rights are.

GIBSON: Senator Thompson?

THOMPSON: Everyone has kind of a wish list. I think it's most important, though, that a president of the United States understand that our principles, our first principles are based on the Constitution of the United States -- understanding the nature of our government, the checks and the balances, the separation of powers that our founding fathers set up a long time ago.

THOMPSON: There's a reason for that. They knew about human nature. They learned from the wisdom of the ages.

They set the government up according to that. They set the powers out in the Constitution of the federal government, and they basically said if the powers aren't delineated in this document they don't exist.

And then we got the 10th Amendment that says if they're not delineated they belong to the people and to the states.

That's fundamental to everything else.

And then we grew from that, principles such as a dollar belongs in the pocket of the person that earned it, unless the government can make a case that it can spend it better. You don't spend money that you don't have, and you certainly don't spend your grandchildren's money with debt that they're not at the table when the decision has been made to spend it.

GIBSON: I'm going to run out of time on this, but I want to come back to that point.

Go ahead.

PAUL: The president asks a very important question. And we should all come together and we shouldn't have that many disagreements, because we should be bound -- bound by the Constitution.

But the people in this country think we live in an age of relative ethics, is what they have come to the conclusion of.

Sure, profess to believe in the Constitution, but why have we gone to war since World War II without a declaration of war? Why do we have a monetary system that is not designed by the Constitution? Why do we have a welfare state running out of control, not designed by the Constitution?

You can't pay lip service to the Constitution without obeying it.

And we should have peace and prosperity. That should be our goal.

We, in foreign policy, ought to have a golden rule. We ought to treat others as we would want others to treat us. And we don't treat others so fairly. We treat them like we're the bully, that we're the policeman of the world, and we're going to tell them to behave.

PAUL: If we don't -- if they don't listen to us, we bomb them. If they listen to us, we give them more money. And it's bankrupting this country because we don't live up to our principles, the principles that are embedded in our Constitution.

(APPLAUSE)

GIBSON: Let me turn for the next few moments to health care.

The Democrats have talked a lot about this, and they have spelled out some pretty specific health care plans.

But what you propose, what you have talked about in terms of health care, in many ways represents a more basic change in the way health insurance would be obtained.

A little background on that, ABC's medical editor, Dr. Tim Johnson.

(BEGIN VIDEO CLIP)

DR. TIM JOHNSON, ABC MEDICAL EDITOR: In general, Republicans have criticized Democratic proposals for health care reform as radical expansions of the federal government's role.

But many health care experts say that it is actually the Republicans' emphasis on individuals buying their own policies versus getting their insurance through employers that is a more radical change.

JOHNSON: And it raises concerns. Individual policies can be more expensive for the same coverage because of administrative overhead and sales costs.

Group policies like those provided by employers can bargain with providers for lower costs and do a better job of monitoring quality.

Medical professionals caution that individual insurance may sound good on paper but it usually turns out to be very difficult for people, on their own, to find quality policies at the right cost.

Charlie?

(END VIDEO CLIP)

GIBSON: All right. Dr. Tim Johnson, thanks very much.

We're the only industrialized nation in the world that doesn't insure all of our citizens. If we can afford a trillion-dollar war in Iraq, why can't we afford medical insurance for everybody?

Governor -- Mayor -- Mr. Mayor?

GIULIANI: The reality is that, with all of its infirmities and difficulties, we have the best health care system in the world. And it may be because we have a system that still is, if not wholly, at least in large part still private.

To go in the direction that the Democrats want to go, much more government care, much more government medicine, socialized medicine, is going to mean a deteriorated state of medicine in this country.

GIULIANI: I mean, I said, jokingly, in one debate, if we go in the direction of socialized medicine, where will Canadians come for health care?

(LAUGHTER)

(CROSSTALK)

GIBSON: But do you all agree that we have the best health care system in the world?

MCCAIN: Now, tell me when people get sick where they come to to get health care.

(CROSSTALK)

THOMPSON: We certainly have the best health care in the world.

(CROSSTALK)

GIULIANI: Charlie, that doesn't mean it shouldn't be improved. And I think that the notion of people buying their own private health insurance is a very good one, so long as a lot of them do it.

Only 17 million Americans right now buy their own health insurance. If 50 million Americans were buying their own health insurance, because it would be just as tax advantageous to do it that way, and we had a health savings account, people -- economists believe there'd be a 30 percent to 50 percent reduction in the cost of health insurance, and quality would come up.

The only thing that reduces cost and increases quality is a significant, dramatic, large consumer market, not government control.

GIBSON: You all have proposed free market, consumer-purchased insurance. And you all talk about giving tax deductions for buying insurance.

Let me do a little math. The average family employer-provided insurance, when the company's buying, it's \$13,000 a family.

Now, you talked about a \$15,000 to \$20,000 deduction -- right? -- for people buying their own insurance. If you take a median-income family of \$62,000 in this country, you've just saved them \$3,000 on their taxes. That doesn't come close to buying an insurance policy.

MCCAIN: Sure. And next year, if you continue 10 percent inflation associated with it, it'll be even further away. And the next year after that.

Because the problem with health care in America, it's not the quality. It is the inflation.

And in all due respect to your expert that we just saw, he's talking about the wrong aspect of this issue. The right aspect of this issue is inflation, if we could get it under control and get it reduced so that health care costs are reasonable in America, then those people will be able to afford it.

GIBSON: And to get health care costs...

MCCAIN: And they can -- and they will be able to go out and choose their insurer, anywhere in America, and they will be able to then to get affordable health care in America.

But we have to make the recipient of the health care more responsible. We have to have outcome-based results for health care. We have to emphasize wellness and fitness.

One of the most disturbing things in America is the increase in diabetes, obesity and high blood pressure amongst younger Americans. So we have to award wellness and fitness.

HUCKABEE (?): Charlie, I'm...

MCCAIN: And that way, we'll have a healthier nation and we will have less health care costs.

But, again, you made a statement about European nations, they all get health care. Well, some people here in New Hampshire have been to Canada. I don't think they want that system.

ROMNEY: A lot of people have ideas about health care and improving health care. We took the ideas and actually made them work in our state, as people in New Hampshire know. We put in place a plan that gets every citizen in our state health insurance, and it didn't cost us new money. And it didn't require us to raise taxes.

What we found was, it was less expensive or no more expensive to help individuals who had been uninsured by their own private policy than it had been for us to give out free care at the hospital.

And since we put our plan in place last April, we've now had 300,000 people who were uninsured sign up for this insurance, private insurance.

And where the doctor -- good doctor was wrong is that it's true the insurance companies don't want to sell policies to one person at a time. It's expensive.

We established what we called a connector, a place where individuals could go to buy policies from any company, and that connector would in turn send their premiums on to those companies.

So the economics of scale existed. And as a result of what we did, the premiums for health insurance for an individual buying insurance went from \$350 a month to \$180 a month, with lower deductibles and now with prescription drugs.

ROMNEY: The answer...

GIBSON: Anybody...

ROMNEY: Let me just -- I just -- I want to underline this.

We don't have to have government take over health care to get everybody insured. That's what the Democrats keep on hanging out there.

The truth is, we can get everybody insured in a free market way. We don't need Hillary-care or socialized medicine.

PAUL: Charlie, you really answered the question -- you answered it in your question, because you said, "How can we afford a trillion- dollar war and we can't afford health care?"

Well, that's the reason.

The resources are going overseas. We're fighting a trillion- dollar war and we shouldn't be doing it. Those resources should be spent back here at home.

There is an inflationary factor. We can't afford it. We do have good medical care, but the costs are so high now that our people in this country are actually going to India and getting their heart surgery done.

PAUL: They pay the plane ticket, the hospital and the hotel and they get it for half-price.

So it's inflation, but if you don't understand how inflation comes, we can't solve this problem. It comes from deficit financing with this war-mongering foreign policy we have. We run up the deficits. We tax. We borrow. We borrow from the Chinese. We can't borrow enough.

Then what do we do? We print the money, and then you wonder where the inflation comes. The value of the dollar is down and the prices go up, where the government gets involved in certain things like housing or medical care or education, prices are skyrocketing.

So you have to deal with the monetary issue to solve the problem of the medical issue.

GIBSON: Senator Thompson?

THOMPSON: Ahem.

(LAUGHTER)

PAUL: Don't print anymore money. We don't need anymore money.

THOMPSON: So if we would stop printing so much money, we could get out of the war and provide health care to everybody.

PAUL: Get out of the war, and we wouldn't have to print the money.

THOMPSON: OK. I just wanted to...

(CROSSTALK)

THOMPSON: I wanted to make sure I had this right.

(LAUGHTER)

THOMPSON: Let me break it down a little bit so I can understand it a little bit better.

PAUL (?): Keep trying.

THOMPSON: We've got the best health care in the world. It costs more than it should.

We can either go one of two ways.

We can let the government take it over, and that'll lower costs, like they do in other countries. We will also sacrifice care, which nobody wants to do -- we're not going to do, in this country.

Or we can make the markets work more efficiently. There are a lot of components to that. Part of that is not just giving a tax break to the individual. That's part of it. But it's also putting them in a position to get the best prices for the care they're getting.

We do that in every other aspect of our life. That's what keeps prices as low as they are.

THOMPSON: I mean, if the consumer had no concept of what the product was costing and did no shopping for it, when you could get an MRI here for one price or over here for half the price, you don't even know that to make the choice. It wouldn't work at all.

So you can do that. You can open up these markets so a person can buy their insurance from all over the country. We've got various state regulations now, that, as a practical matter, prohibit that. Make the markets work.

But we're never -- let's be honest with the people. We're probably never -- if you lower costs, more people who want insurance will be able to afford it. We're probably never going to achieve total coverage.

A good number of the people who are uninsured can afford it and choose not to do so. A good number of people who are eligible for government assistance, and choose -- can manage and choose not to.

GIBSON: But Government Romney's system has mandates in Massachusetts, although you backed away from mandates on a national basis.

ROMNEY: No, no, I like mandates. The mandates work.

THOMPSON: I beg your pardon? I didn't know you were going to admit that. You like mandates.

ROMNEY: Let me -- let me -- oh, absolutely. Let me tell you what kind of mandates I like, Fred, which is this. If it weren't...

THOMPSON: The ones you come up with.

(LAUGHTER)

ROMNEY: Here's my view: If somebody -- if somebody can afford insurance and decides not to buy it, and then they get sick, they ought to pay their own way, as opposed to expect the government to pay their way.

ROMNEY: And that's an American principle. That's a principle of personal responsibility.

So, I said this: If you can afford to buy insurance, then buy it. You don't have to, if you don't want to buy it, but then you got to put enough money aside that you can pay your own way, because what we're not going to do is say, as we saw more and more people...

GIBSON: Governor, (inaudible) you imposed tax penalties in Massachusetts (inaudible).

ROMNEY: Yes, we said, look, if people can afford to buy it, either buy the insurance or pay your own way; don't be free-riders and pass on the cost to your health care to everybody else, because right now...

THOMPSON: The government is going to make you buy insurance...

ROMNEY: No, the government is going to stop...

THOMPSON: ... and make you pay -- I mean, the state -- your state plan, which is, of course, different from your national plan, did require people to make that choice, though. The state required them to do that.

What was the penalty if they refused?

ROMNEY: They refused to pay your -- let's go back, Fred. What's your view? If somebody...

THOMPSON: Well, I asked the question first.

(LAUGHTER)

ROMNEY: OK. Well, I'll answer your question, you answer mine.

ROMNEY: If somebody is making, let's say \$100,000 a year, and doesn't have health insurance, and they show up at the hospital, and they need a \$1,000 repair of some kind for something that's gone wrong. And they say, "Look, I'm not insured, I'm not going to pay." Do you think they should pay or not?

THOMPSON: Did your plan cut people off at \$100,000? Was that the level?

ROMNEY: No, actually...

THOMPSON: Did it only apply to people with \$100,000 income and over?

ROMNEY: It actually applies to people at three-times federal poverty. They pay for their own policy. At less than three-times federal poverty, we help them buy a policy, so everybody is insured, and everybody is able to buy a policy that is affordable for them.

The question is this, again, if someone could afford a policy and they choose not to buy it, should they be responsible for paying for their own care?

Or should they be able to go to the hospital and say, "You know what? I'm not insured. You ought to pay for it."

What we found was, one-quarter of the uninsured in my state were making \$75,000 a year or more. And my view is they should either buy insurance or they should pay their own way with a health savings account or some other savings account.

GIBSON: We have an expression in television: We get in the weeds. We're in the weeds now on this.

(CROSSTALK)

GIBSON: Let me just -- one point. Yes or no, in your national plan, would you mandate people to get insurance?

ROMNEY: I think my plan is a good plan that should be adopted by other states. I wouldn't tell every state...

GIBSON: In your plan, would you mandate...

ROMNEY: I would not mandate at the federal level that every state do what we do. But what I would say at the federal level is, "We'll keep giving you these special payments we make if you adopt plans that get everybody insured." I want to get everybody insured.

GIBSON: OK.

ROMNEY: In Governor Schwarzenegger's state, he's got a different plan to get people insured. I wouldn't tell him he has to do it my way.

But I'd say each state needs to get busy on the job of getting all our citizens insured. It does not cost more money.

GIBSON: I want to give Governor Huckabee a little time. Then we've got to go.

HUCKABEE: OK.

I think it's important to realize that the issue is not just insurance. The issue is that the whole model of our health-care system is upside down.

We really don't have a health-care system. We have a disease-care system. And the insurance model that we use, we act like that if we insured everybody, we've fixed it.

We haven't. Because the real problem is that our model, both in the insurance model and the health-care model, waits until people are catastrophically ill before it intervenes.

HUCKABEE: And we really have to change the concept to a preventive focus rather than an intervention focus.

And that means the entire system starts working on health and wellness, because 80 percent of the \$2 trillion that we spend on health care goes to chronic disease.

We could prevent it or we could cure it, but we don't. So it's not an issue of there's not enough money to cover people.

But if a real health care system exists, it has three components: It has affordability, it has quality, and it has accessibility.

And if it doesn't have those elements, it's not a system; it's a maze. And what we have in America is a health care maze. It's built on the idea that we wait until people are so desperately ill that the cost to try to fix them is catastrophic and out of control.

And no wonder we have a system that needs major, major attention.

And by the way, just out of due respect, you said \$1,000 for a repair.

HUCKABEE: It's about \$1,000 for a Kleenex at a hospital anymore.

(LAUGHTER)

And that's why we need to have a totally different system that keeps you from going to the hospital in the first place.

(CROSSTALK)

GIULIANI: Charlie, a health savings account actually helps to accomplish what the governor is talking about.

If somebody can put aside -- and the plans that we've been talking about include a health savings account. You'd have an exemption up to \$15,000. If you could find a policy for \$11,000, you can have a \$4,000 health savings account.

You would be able to buy some of your health care and your prevention yourself. It gives you an incentive over a lifetime to deal with wellness.

GIBSON: And I've got to go.

But Senator McCain has talked a lot about controlling costs, and you bring up the issue in controlling costs. And all the experts say to me, Look, if you're going to control costs, you got to do three things. You're going to limit access to technology, you're going to limit, in some way, change the reimbursement system for doctors and hospitals, or you're going to have to limit the amount of treatments. That's the only way we can bring costs down.

And that's the third rail of health care. Which of you is going to touch any of that?

HUCKABEE: Charlie, that's not at all the way it is. The fact is, if you had...

(CROSSTALK)

GIBSON: Yes, it was directed to you.

(LAUGHTER)

MCCAIN: I think that there's additional choice here: a choice of having outcome-based treatment.

MCCAIN: There are five major diseases that consume 75 percent of health care costs in America. If someone has diabetes, we should give the health care provider a certain amount of money and say, "Care for that patient. And if, at the end of that period of time, and that patient is well, we'll give you a reward." Rather than every test, every procedure, every MRI.

And we need walk-in clinics, and we need community health care, and we need incentives for home health care as opposed to long-term care.

In my state of Arizona, we adopted a proposal which incentivizes health care providers to keep people in home health care settings -- dramatically less expensive than long-term care.

In Arizona, we have one-half the number, per capita, of people in long-term care facilities as the state of Pennsylvania.

Incentives to keep costs down, Charlie. There are no incentives in the system today.

Could I just mention one other thing? Both the attorney general of South Carolina -- I don't know why I mention South Carolina...

GIBSON: Because there's a primary there.

(LAUGHTER)

MCCAIN: ... and the attorney general of Iowa -- and I don't -- well, anyway...

GIBSON: That's too late.

MCCAIN: ... have sued the pharmaceutical companies because of overcharging of millions of dollars of Medicaid costs to their patients.

MCCAIN: How could that happen? How could pharmaceutical companies be able to cover up the cost to the point where nobody knows? Why shouldn't we be able to reimport drugs from Canada?

It's because of the power of the pharmaceutical companies. We should have pharmaceutical companies competing to take care of our Medicare and Medicaid patients.

ROMNEY: OK, don't leave me. Don't send the pharmaceutical companies into the big bad guys.

MCCAIN: Well, they are.

ROMNEY: No, actually they're trying to create products to make us well and make us better, and they're doing the work of the free market.

And are there excesses? I'm sure there are, and we should go after excesses. But they're an important industry to this country.

But let me note something else, and that is the market will work. And the reason health care isn't working like a market right now is you have 47 million people that are saying, "I'm not going to play. I'm just going to get free care paid for by everybody else." That doesn't work.

Number two, the buyer doesn't have information about what the cost or quality is, or different choices they could have. If you take the government out of it to a much greater extent, you'd get it to work like a market and it will rein in cost.

GIBSON: I've got to call a halt. We're going to take a commercial break. We'll come back. I'm going to be joined by Scott Spradling from WMUR, and we're going to go to some more direct questions.

Stay with us: The Republican debate continues from Manchester.

(COMMERCIAL BREAK)

GIBSON: For the second 45 minutes of this debate, I'm going to be joined by Scott Spradling, who is political director of our station, WMUR, here in Manchester, New Hampshire.

And I would say, during that three-minute break, that all of the candidates headed for the wings, and I thought it might just be the two of us here for the last 45 minutes.

(LAUGHTER)

And I'm so relieved...

(LAUGHTER)

... to say that they all came back: Senator McCain, Senator Thompson, Congressman Paul, Governor Romney, Governor Huckabee, Mayor Giuliani, it's good to have all of you with us.

We're going to do some more direct questions. We've got tally lights this time. We're going to limit you in the length of your answers. And if you want to respond, in these first questions, you're certainly welcome to do so.

Why don't you start, Scott?

SPRADLING: Senator McCain, good evening.

MCCAIN: Good evening, Scott.

SPRADLING: I'm struck by the fact that we're on the St. Anselm campus. And a few months, you took some hits in a debate that you had here with your fellow Republicans on the issue of illegal immigration and your views.

Since that debate...

MCCAIN: I shouldn't have come back.

(LAUGHTER)

SPRADLING: Since that debate, sir, you've told voters, "I hear you." You've acknowledged some of these complaints.

And there's more talk, I know, from you, about stronger borders. That's a big focus in this debate.

But fundamentally, I'm wondering, don't you still have the same plan for a path to citizenship that you fundamentally held months ago?

MCCAIN: Sure. But the fact is that the American people have lost trust and confidence in government, and we have to secure the borders first.

MCCAIN: I come from a border state. I've very aware of the challenges we face and the impact of illegal immigration. So, we will secure the borders first. As president, I will have the border state governors certify that those borders are secure.

And, of course, in the course of our debates and discussions and -- with Secretary Chertoff, he said that there's 2 million people who are in this country illegally who have committed crimes. Those people have to be deported immediately.

And I do believe we need a temporary worker program. One with an employee -- employment -- electronic employment verification system and tamper-proof biometric documents, so that the only document and that system (inaudible) can an employer legally hire somebody, and any employer who employs someone in any other way will be prosecuted to the fullest extent of the law.

MCCAIN: Now, I want to say again, this is a national security issue. We have to secure our borders.

But I want to say again, these are God's children. We have to address it in as humane and compassionate an issue as possible. But we have to respect our nation's security requirements.

So I think that it's time Republican and Democrat sat down together and resolved this issue. Because if you've got broken borders, and if you have 12 million people here illegally, then, obviously, you have de facto amnesty.

It is a federal responsibility. The federal government must act. I will act as president.

GIBSON: We got the tally lights this time.

Governor?

MCCAIN: Oh, I'm sorry. I'm sorry, Charlie.

GIBSON: That's all right.

ROMNEY: I disagree fundamentally with the idea that the 12 million people who've come here illegally should all be allowed to remain in the United States permanently, potentially some of them applying for citizenship and becoming citizens, others just staying permanently.

I think that is a form of amnesty, and that it's not appropriate. We're a nation of laws.

(CROSSTALK)

ROMNEY: Our liberty is based upon being a nation of laws. I would welcome those people to get in line with everybody else who wants to come here permanently.

ROMNEY: But there should be no special pathway to permanent residency or citizenship for those that have come here illegally.

I welcome legal immigration. Of course we need to secure the border. We need to have an employment verification system with a card to identify who's here legally and not legally. We need to have employer sanctions that hire people that then don't have the legal card.

But with regards to those already here, it is simply not right and unfair to say they're going to all get to stay, where there are people around the world who've been waiting in line to come to this country. They should have the first chance.

(CROSSTALK)

MCCAIN: Scott, can I respond to that?

SPRADLING: I have a question for both you and the mayor, and I'd like to give it to the mayor first.

Mayor Giuliani, a point of specificity here. Do you believe that the illegals that have been identified in the U.S. need to leave the United States and reapply for citizenship to come back into the country? And if so, for how long?

GIULIANI: What I believe should happen is we should stop illegal immigration at the border, and we should begin doing it now.

GIULIANI: We should erect a fence. We should erect a technological fence. We should expand the Border Patrol. We

should have a BorderStat system. We should have a rule that you cannot come into the United States without identifying yourself, which, after all, is the rule in every other country just about.

And then we should operate that for two, three, four years, change behavior. And then we should take that system, with a tamper-proof I.D. card, which would be used for people coming into this country, and what we should do with the people that are here.

First of all, right now, our priorities should be -- since you can't throw out all 12 million people, whether Governor Romney would like to do that or not or anybody else would, you just can't do it. It's not physically possible to do.

I would focus on the illegal immigrants that are here who have committed crimes. They should be given priority. That's a number we can deal with. That's a number we can throw out.

GIULIANI: Then what I would do with the people that are here, when you had a good system in place -- and I believe my plan is the best plan for doing that, and these are the kinds of things I achieved in the other jobs that I've had in my life, as mayor and associate attorney general -- I think what you would do then is, you would say to the 12 million people that are here, come forward, get a tamper-proof I.D. card, get fingerprinted, get photographed.

If they don't come forward, then you throw them out of the country. The ones who do come forward would have to pay taxes. They'd have to pay fines.

If you pay fines, it is not amnesty. They would not get ahead of anybody else. They'd be at the back of the line. But then they could eventually become citizens, so long as they could read English, write English and speak English.

SPRADLING: Thank you.

MCCAIN: Let me just say, I've never supported amnesty.

A few nights ago, Joe Lieberman and I had a town hall meeting together. It was a rather unusual event. The issue came up. Joe Lieberman said, John McCain has never supported amnesty, and anybody says that he does is a liar, is lying.

Now, no better authority than Governor Romney believed that it's not amnesty because two years ago, he was asked, and he said that my plan was, quote, "reasonable, and was not amnesty."

It's a matter of record.

SPRADLING: Governor, you want to explain your ad?

ROMNEY: Yes, absolutely, which is what he describes is technically true, which is his plan does not provide amnesty because he charges people \$5,000 to be able to stay.

MORE7

ROMNEY: And that, technically...

MCCAIN: That's not true. That's not complete response to it.

And, Governor Romney, it was explained to you and you said it was reasonable and not amnesty. You can look it up.

(CROSSTALK)

ROMNEY: Wait, wait, wait, wait, wait, wait. Let me have a chance.

(CROSSTALK)

ROMNEY: Rudy, let me have a chance to finish, OK? Then you'll get your chance.

I saw your plan, along with Senator Cornyn's plan and the Bush plan; I said they were all reasonable. And I said I

would study them and decide which one to endorse, and I endorsed none of them, as you know, Senator.

Number two, your plan, I said, is not technically amnesty because it provides for a penalty for people to be able to stay...

MCCAIN: It provides for more than a penalty.

ROMNEY: OK. Would you describe what else it has, besides a penalty?

MCCAIN: Sure. Fine, learn English, back of the line behind everybody else -- pretty much what Rudy just described.

ROMNEY: OK, great. So it has a...

MCCAIN: So that we can address the issue.

ROMNEY: Fine. Unless you pay \$5,000...

MCCAIN: It's not amnesty. And for you to describe it as you do in the attack ads, my friend, you can spend your whole fortune on these attack ads, but it will won't be true.

(UNKNOWN): May I...

ROMNEY: No, no, no, no. I get a chance to respond to this.

I'm sorry. I'm sorry.

GIBSON: (inaudible)

ROMNEY: I don't describe your plan as amnesty in my ad. I don't call it amnesty.

What I say is -- and you just described what most people would say is a form of amnesty. Yes, they pay \$5,000, their background is checked, they have to learn English.

But your view is everybody who's come here illegally today, other than criminals, would be allowed -- when they speak English and get \$5,000 payment and they get a background check, they're allowed to stay forever.

MCCAIN: Look, I don't...

ROMNEY: That's your plan, and that plan, in my view, is not appropriate.

Those people should be invited to get in line outside the country with everybody else who wants to come here, but they should not be given a special right to stay here...

MCCAIN: There is no special right associated with my plan.

ROMNEY: ... for the rest of their lives.

MCCAIN: I said should they should not be in any way rewarded for illegal behavior.

ROMNEY: Are they sent home?

MCCAIN: They have to get in line behind everybody else.

ROMNEY: Are they sent home? Are they sent home?

MCCAIN: Some of them are, some of them are not depending on their situation.

ROMNEY: The last bill you put forward...

MCCAIN: If a woman who has been here for eight years...

ROMNEY: I'm sorry -- the last bill...

MCCAIN: ... and has a son fighting in Iraq...

ROMNEY: Senator, the last bill you put forward...

MCCAIN: ... I'm not interesting in calling her up, calling up her son and telling I'm deporting his grandmother.

This has to be...

(CROSSTALK)

THOMPSON: Didn't you say Republicans were making a terrible mistake if they were separating themselves with President Bush on the illegal immigration issue?

ROMNEY: No, that was quoted in A.P. It happened to be wrong.

Let me -- let me -- let me...

(LAUGHTER)

MCCAIN: You're always misquoted.

ROMNEY: It was -- that does happen from time to time. But let me -- it does actually.

MCCAIN: When you change issues -- positions on issues from time to time, you will get misquoted.

(LAUGHTER)

ROMNEY: Senator, is there a way to have this about issues and not about personal attacks? I hope so, because I think we have some differences in issues.

MCCAIN: I do, too. I do, too.

ROMNEY: And let me tell you, the issue that's at stake here is, do the people who come here illegally, the 12 million -- are they allowed to stay in this country the rest of their life?

And the final bill you put forward in the United States Senate was...

MCCAIN: The answer is...

(CROSSTALK)

ROMNEY: Can I complete?

MCCAIN: The answer is, we were still negotiating, we were debating, we were saying that some people have to go back to the country that they came from before they came here...

ROMNEY: I'm sorry, there was a Z visa. The Z visa was given to everybody...

(CROSSTALK)

MCCAIN: ... that some people have to go back.

First, as Rudy said, we have to round up the 2 million who have committed crimes and deport them immediately.

ROMNEY: Let's not divert.

MCCAIN: And that is not amnesty for anyone.

GIBSON: Well, I don't want to divert. Let me come back to your plan.

(CROSSTALK)

GIBSON: Is it practical to take 12 million people and send them out of the country? Is it practical?

ROMNEY: The answer is no. The answer is no.

So, here's how my plan works.

One, it says to those 12 million people, they do not have the right, as they would under the final Senate plan, to receive a Z visa, which was renewable indefinitely. That meant these people could stay in the country forever. That was what the plan did, and that's why talk radio and the American people went nuts.

MCCAIN: (inaudible) that's not the plan.

ROMNEY: Senator, you look up your Z visa, it is renewable indefinitely. Every legal -- every illegal alien got to stay in the country forever, other than those that committed crimes.

GIBSON: Go ahead.

GIULIANI: Charlie, if Ronald Reagan were here, who we all invoke, who would grab the microphone, say, "It's my microphone, I paid for it."

GIULIANI: And Ronald Reagan did amnesty. He actually did amnesty. I think he'd be in one of Mitt's negative commercials.

(LAUGHTER)

And he is the hero of our party.

None of us, none of us has a perfect record on immigration because this is a very complicated problem. The thing that we have to do is we have to decide who has the best plan among all of us for fixing illegal immigration.

You got to stop it at the border. You got to stop it cold at the border. And then you have to have a rational system.

It is not amnesty. If you charge -- I did this more in my life than I did politics, meaning law enforcement -- if you charge fines, if you have impositions of conditions, it is not amnesty.

Ronald Reagan gave amnesty, saying they have to pay a fine, have to get on the back of the line, have a whole bunch of conditions...

(CROSSTALK)

ROMNEY: I thought you said that wasn't amnesty.

GIULIANI: That is not amnesty. That is not amnesty.

If you have a fine, if you have conditions, if you have a whole bunch of steps that people have to go through, it is not amnesty.

Ronald Reagan gave amnesty, straight-out amnesty.

THOMPSON: The question is, are you rewarded for your illegal behavior in any way?

If the answer is yes, it's amnesty.

GIULIANI: But if you have to pay a penalty for it, it is not. For example...

THOMPSON: Do you get allowed to -- but you can still stay in the country?

GIULIANI: Pay money, have to follow...

THOMPSON: But you can still stay in the country?

GIULIANI: Well, but you have to pay penalties.

THOMPSON: But you can still stay in the country?

GIULIANI: There are all different kinds of penalties.

GIBSON: What would you do, Senator?

GIULIANI: Someone gets amnesty from a crime...

THOMPSON: You can have -- you can have -- you can have enforcement by attrition if you obey the law and you enforce the law that's on the books today.

If we started securing the border, as we are supposed to do -- and we're all in agreement that it must be done now.

THOMPSON: I mean, we arrest thousands, over the years, of people from countries that are state sponsors of terrorism. I mean, it's essentially a national security issue, as well as an issue of fairness, as well as a social issue with regard to what states and communities have to face nowadays, and workers who are in competition with this.

If we enforced the borders so people couldn't go back and forth, if we assisted employers with a system that we now have on the books that 20,000, 30,000 employers now are using, a verification system so you could essentially punch a button, the Homeland Security folks will tell you whether or not this person is illegal on the front end, and if we stop sanctuary cities where we're telling local people that you can't cooperate with federal authorities, and stop inducing people to come here with employment and protection under sanctuary cities, as Mayor Giuliani did when he was mayor of New York, then we would have -- we would have attrition of these numbers and start reversing...

(CROSSTALK)

GIULIANI: I have to answer...

(CROSSTALK)

GIBSON: Our process of limiting these answers is going just to Hades.

GIULIANI: I have to answer that -- I have to answer that question. New York City was not a sanctuary city. New York City turned in the names of every single person who committed a crime or was suspected of a crime.

THOMPSON: What about just being illegal?

GIULIANI: Well, New York City turned in the names of all people that were illegal, with only three exceptions. One exception was for children that were going to school. We had 70,000 children of illegals. I was not going to leave them on the street. I am proud that I continued that policy. It would have been inhumane to do anything else.

THOMPSON: We passed a bill in 1996...

GIULIANI: Let me finish. Let me finish.

Second, we said, "If you come into a hospital and you need treatment for an emergency, you'll be treated." It would have been inhumane to do anything else.

And we said, "If you report crimes, we will take those reports." And we wanted those reports of crimes because they helped us to reduce crime...

(CROSSTALK)

THOMPSON: All right. Go back and look at the record. In 1996, Congress -- the United States Congress, when I was there, when I was in the Senate, we passed a bill outlawing illegal amnesty.

THOMPSON: I'm serious. Rudy went to court and sued to overturn what we'd passed in legislation. We weren't trying to throw children out on the street either. I think if you...

GIULIANI: Those are the three narrow categories that I was objecting to. They all had to do with humane conditions. It was a policy that was...

THOMPSON: We were (inaudible) inhumane conditions.

(CROSSTALK)

GIBSON: Governor Huckabee is sitting here with a quiet smile, just thinking, "OK, let them fight; I'm going to stay out of this."

So I want to bring you in quickly, and then Congressman Paul, then we will move on.

HUCKABEE: As Abraham Lincoln said, "If it weren't for the honor of it, I'd just as soon pass," when he was run out of town on a rail. But let me join in on this.

(LAUGHTER)

The fact is, Americans are upset about this issue because they feel like we've violated the rule of law. Every one of us I think agree that you have to secure the border and until that's done, nothing makes sense.

That ought to be done. It ought to be done with American workers, with American products, and it ought to be done immediately. Eighteen months ought to be the outside length of time.

If the Empire State Building can be built in 14 months, if some of the great works of this country can be built in a record period of time, I'm convinced we can secure our borders.

And I agree with Senator Thompson, it's an issue of national security, more than it is anything else. But it's a matter of sealing the borders of our nation in a responsible way.

HUCKABEE: I think we ought to have a period of time in which people then return to their home country and get in the back of the line.

Now, the reason I've come to that conclusion is for a variety of focus, but here's part of it: When people live in the United States, they ought to have their head up. They ought to not live in fear. Every time they see a police car, they shouldn't run and hide. Nobody ought to live like that in this country.

And the only way we're going to fix that is that people do it right. And in order to do it right, they're going to have to go back and get in the back of the line.

It's not an inhumane way; I think it's the only way that makes sense.

And I want to make final point that I think ought to happen: When we say, "Well, we can't round these people up and take them home," we don't have to, Charlie.

You give them the option: If you don't do it the right way and then we catch you, you would be subject to deportation. But if you do it the right way, then you're going to be able to live with your head up and live free in this country, properly. And it won't be that we have this huge problem and the resentment that goes with it.

HUCKABEE: And the final reason that's important -- I know you want me to finish, and I'm doing it.

The reason that we've got to do that is that when people say we can't get a -- we don't have to, for this simple principle: The government didn't escort them over the border in the first place, so the government doesn't have to take them back. They got here on their own. And people can go back and start the process legally, for their benefit and for everyone else's benefit.

GIBSON: Congressman Paul?

PAUL: I think there is two points I'd like to make.

One, I get a little bit worried when we talk about the tamper-proof I.D. for illegals or immigrants, because how do you do that? Anybody that is an immigrant or looks like an immigrant would have to have an I.D. And then, you can't discriminate, so everybody's going to have the I.D.

I think it's opening the door for the national I.D., and we should be very, careful about that.

But one thing that we haven't talked about here is about the economics of illegal immigration. You can't solve this problem as long as you have the runaway welfare state and excessive spending and the wiping out of the middle class through inflation, because that's what directs the hostility, is people are hurting.

And then, when we have all these mandates on the hospitals and on our schools. And, no wonder. The incentives are there. There's an incentive for a lot of our people not to work, because they can get welfare. And then there's a lot of incentive because they know they're going to get amnesty. We gave it to the illegals in the '80s.

And then, we put mandates on the states to compel them to have medical care. And you say, well, that's compassionate. But what happens if the hospital closes and then the people here in this country don't get medical care?

So you can't divorce it from the economics. You've got to get rid of the incentives. No amnesty. And no forced benefits. Because, obviously, they'll bring their families.

And it just won't work if you try to see this in a vacuum. And you have to deal with it as a whole, as an economic issue as well.

ROMNEY: Charlie, can we just underscore, we're talking about illegal immigration?

GIBSON: Yes.

ROMNEY: And I think every person on this stage wants the community to understand that legal immigration, we value. It's great for the country. We welcome legal immigration, every single one of us. No difference on that.

We get twisted on this outside.

GIBSON: So noted. So noted. So noted.

ROMNEY: We are very much in favor of legal immigration. It's a great source of vitality for our country.

SPRADLING: Governor Romney, I'm going to stay with you. In Charlie's health care dialogue in the first half, you mentioned Hillary-care. This group has aimed a lot of partisan firepower at Hillary Clinton. But I'd like, if you don't mind, to adjust the outcome for a minute and walk down this road with me.

Let's say that Barack Obama is the nominee. He won the Iowa caucus. We have a WMUR poll out just tonight that shows it's tied here in New Hampshire, 33-33. And I'd like to know from you why, against you as the nominee down the line, why not vote for Barack Obama, and not just because he's a Democrat. You're not allowed to say that.

(LAUGHTER)

I'd like to hear some specifics on why not him.

ROMNEY: Well, we have very different views on a whole series of issues.

ROMNEY: And I could take you through one by one.

One would be health care, for instance. He wants the government to take over health care, spend hundreds of billions of dollars of new money for health insurance for everyone. That'll be -- that'll break the bank.

If you think -- as the comedian said, P.J. O'Rourke, if you think health care is expensive now, just wait until it's free. All right. So that's not the right direction.

So we can talk about issues. But the biggest difference I think -- and it's going to be true for me and others who talk about it -- is that this is a time when America wants change. Washington is broken. That was the message coming out of Iowa. I've heard it across the country. Washington is broken, not just the White House, not just Congress. Washington can't get the job done on immigration, on lowering taxes, on fixing schools, on getting health care, on overcoming radical jihad. They want change.

Barack Obama looked at several senators steeped in long history in the Senate and completely blew them away in the Iowa caucus.

ROMNEY: It's a message of change.

And when we sit down and talk about change -- Barack Obama and myself at that final debate, as you are positing -- I can say, "Not only can I talk change with you, I've lived it. In the private sector for 25 years, I brought change to company after company. In the Olympics, it was in trouble. I brought change. In Massachusetts, I brought change. I have done it. I have changed things, and that experience is what America is looking for."

You look at that debate with Barack Obama. I'm looking forward to head-to-head.

GIBSON: I'm going to keep us on time. Go ahead.

SPRADLING: Senator Thompson, I'd like to get your take on that: you vs. Senator Barack Obama. Why not him?

THOMPSON: Well, Senator Obama has adopted the position of every liberal interest group in this country as best I can tell; all the major ones, the NEA and everyone who's stepped forth with a position paper on these issues. His positions are very liberal positions.

THOMPSON: His first alternative to all problems, as best I can see, is not only the government, but the federal government.

He's talking in generalities right now. As the time goes on, the process goes on, I think he'll have to be more definitive. But it's clear from what he's said so far that he's taking that position.

And as far as change is concerned, the change we need is to go to constitutional principles, the first principles this country was founded upon, respect for the rule of law, market economies, free people doing free things, and a country that doesn't tax and spend it's people to death, that's doesn't regulate the life blood out of them, doesn't spend money that it doesn't have.

And that's not the direction they want to go in. They want to take us down the road of the welfare state, essentially, and a road that I think would lead us to a weaker position in terms of national security.

SPRADLING: We'll move off-topic in a moment, but, Senator, you served with Mr. Obama.

MCCAIN: I just wanted to say to Governor Romney, we disagree on a lot of issues, but I agree you are the candidate of change.

(LAUGHTER)

But the difference I would have with Senator Obama has got to do with national security.

I know Senator Obama and I've worked with him many times and I respect him, as I respect Senator Clinton.

Senator Obama does not have the national security experience and background to lead this nation.

We are facing the transcendent challenge of the 21st century. And that is radical Islamic extremism.

In his recent statements on various foreign -- national security issues, I have strongly disagreed.

But I am -- can make it perfectly clear that it requires a lot of knowledge and a lot of experience and a lot of background to have the judgment to address the challenges that our nation faces in the 21st century.

ROMNEY: May I make a comment?

One -- one, it's -- the continued personal barbs are interesting but unnecessary.

ROMNEY: But number three -- number two, Hillary Clinton and Bill Richardson and Senator Dodd and Senator Biden all made that same argument in Iowa. And Barack Obama blew them away.

And if you think making that argument as a Republican, that you have more experience and you've been around longer in the Senate, that that's somehow going to -- and that you know the cloakroom, the Senate cloakroom, better than he does, that's not going to work.

THOMPSON: It was an Iowa Democratic primary (inaudible).

ROMNEY: You're going to have to have -- you're going to have to have a person...

(LAUGHTER)

MCCAIN: This is an Iowa Democrat primary we're talking about.

ROMNEY: America wants change.

THOMPSON: A lot of independents.

GIBSON: Mr. Mayor?

GIULIANI: I think the problem Barack Obama would have is, first of all, he's never run a city, never run a state, never run a business. I don't think at a time when America's at war, with the major problems that we face, we're going to want someone to get on- the-job experience as the chief executive, never having had that kind of experience.

I do think he's embraced change, but change is a concept. Is it change for good or change for bad?

GIULIANI: Changing, and having higher taxes, in my view, would be very bad for our economy. Changing, and moving toward socialized medicine would be very bad for our health care system.

Changing, by a precipitous withdrawal from Iraq, without considering the consequences -- he voted for giving the enemy a timetable of our retreat in Iraq. Unheard of in a time of war.

So I would say that virtually the same issues that exist between me and, let's say, Hillary Clinton, Barack Obama, John Edwards, they are really issues between Republicans and Democrats.

And in the case of Senator Obama, he really doesn't have the experience, either from the national security point of view or even from just the executive point of view.

GIBSON: Governor Huckabee?

HUCKABEE: Well, I think there would be substantial differences on the Second Amendment, on the sanctity of life, on the role of government, on the idea of local versus federal government. I'm still a 10th Amendment guy and believe

that most of these decisions ought to be left to the states.

HUCKABEE: I think there will also be fundamental differences on taxes, whether they ought to go up or down. I think there would be differences on national defense. I think we ought to have the strongest possible military that nobody else on Earth wants to ever even think about engaging in battle.

There would be a number of issues that would be fundamentally different. Probably on same-sex marriage, there would be a difference of opinion between Senator Obama and me.

I mean, I could go through a whole litany of things that would be dramatically different. I think, in fact, it would be fair to say that any one of us would have a very different litany of issues.

But in fairness, since I still have just a little bit of yellow light left, I think we also ought to recognize that what Senator Obama has done is to touch at the core of something Americans want.

They are so tired of everything being horizontal -- left, right, liberal, conservative, Democrat, Republican. They're looking for vertical leadership that leads up, not down.

HUCKABEE: He has excited a lot of voters in this country. Let's pay respect for that. He is a likable person who has excited people about wanting to vote who have not voted in the past.

And we'd better be careful as a party, because if we don't give people something to be for, and only something to be against, we're going to lose that next election, and there are some fundamental issues that we lose with it.

GIBSON: Congressman Paul?

PAUL: You know, it's interesting that you asked this question, because we have a lot of similarities, matter of fact, Barack Obama and myself, because our campaign is made up of young people. And frequently we will have young people joining us that came from Barack Obama's campaign and we're very pleased.

But Barack spoke out against the war before it started, and he respects civil liberties, and I respect him for that.

But the question is, is why, why would it be? I assume it's because of the similarity in the age of us two candidates that young people are attracted to us.

(LAUGHTER)

PAUL: But it is. It's the youthfulness of the ideas that bring the young people to us.

But there is a difference between what Barack Obama is talking about, because he does give hope to young people, and that what happens in our campaign.

But I talk a lot more about different kind of economic policies. I talk about personal liberty and the right to people's personal life and getting -- stopping these wars and coming home and having a sensible monetary policy. And young people like this.

But Barack Obama is not going to talk about the goal of getting rid of the income tax and dealing with monetary policy. I mean, he is too much into the welfare state issue, not quite understanding how free market economics is the truly compassionate system.

If we care about the poor and want to help the poor, you have to have free markets. You can't have a welfare state in order to try to take care of people.

GIBSON: Let me move on.

People in this state, and everywhere, are worried about gas prices.

GIBSON: When 2007 began, oil was \$61 a barrel. It was \$100 last week. We haven't even begun to see the demand

that India and China is going to put on the world's oil markets.

Don't you have to, in the end, level with people that gas prices are at this level to stay and, if anything, they're going to go higher?

And isn't not to do so intellectual dishonesty?

Anybody?

PAUL: I'll be glad to answer that question, because it's something I talk about all the time and it's a very important question.

The Wall Street Journal yesterday had a very good chart that explains this. If you look at the price of oil in the last 10 years, if you look at it in terms of dollars, it went up 350 percent.

If you look at it in euros, it went up about 200 percent.

If you look at it in the price of gold, it stayed flat.

It's the inflation, it's the printing of money, it's the destruction of the value of the dollar. Added on to this, the notion that we go to protect our oil.

PAUL: Oil was \$27 when we went over there to get the oil and protect the oil and take the oil from Iraq. There's less -- there's less than about half the production now in Iraq right now. And we're threatening Iran. And that pushes prices up. It pushes up the concept of supply and demand.

But you can't deal with the price of oil without dealing with the supply and demand of dollars. When you devalue the dollar -- and the dollar is going down every day. And the further the dollar goes down, the higher the prices of oil are going up. We have to understand that.

GIBSON: Senator?

MCCAIN: At that price of oil, we're going to send \$400 billion a year overseas to oil-producing countries. Some of that money will end up in the hands of terrorist organizations. It will certainly end up in the hands of dictators who do not have our interests or our values, and sometimes want to harm America.

We have to reduce the dependence on foreign oil, and we have to eliminate -- we have to address the issue of greenhouse gas emissions.

MCCAIN: I think it's a nexus of two critical issues facing this country: alternate energy -- nuclear power, wind, solar, tide, hybrids. We have to unleash the technology of America -- and we must reduce and eventually eliminate this dependency on foreign oil, because it has become a national-security issue, and we have to reduce greenhouse gas emissions, because I believe there's enough evidence that we are going to damage this planet beyond repair unless we begin to address that issue.

SPRADLING: Senator Thompson, Americans are also watching the profits of companies here in America that are making a lot of money as these prices per barrel are skyrocketing. They're bothered by it. People in New Hampshire are bothered by this. Aren't you?

THOMPSON: Bothered by the high profits, you say?

SPRADLING: By the profits, yes.

THOMPSON: Yeah.

SPRADLING: Should something not be done?

THOMPSON: Well, I take note of those profits, and I take note of the losses when they've had them.

SPRADLING: But you wouldn't step in to do anything to change the...

THOMPSON: Such as what?

SPRADLING: Excess profits tax?

THOMPSON: Windfall profits tax? No. No.

You know, the oil price basically is a function or a result of supply and demand.

THOMPSON: Now, we can throw rocks at each other, and we can demagogue the issue and all that. And, of course, there's plenty of it.

But getting back to your original question, Charlie, I mean, nobody knows what the price of oil is going to be in the future. But I think you make a good case that it's going to be -- it's going to be very high. Because it's not just us. The Chinese are demanding more oil, going around the world and making all kinds of deals with dictators and causing all kinds of other problems because of it. India. There are a lot of growing economies out there.

And that's the world we live in for the immediate future. We're not going to be energy independent in a few years.

Now, we have to be more diversified. We're getting too much oil from trouble spots in the world. Everybody knows about the Middle East. Everybody knows about Chavez and Venezuela. And we're just too dependent on the wrong kinds of people.

THOMPSON: And we need to do all the things that John mentioned -- as I recall, the things he mentioned -- plus cleaner coal technology, plus using the oil reserves that we have here in this country and nuclear -- more nuclear.

But, you know, we are not -- you know, we're not a nation that regulates the profits or the losses of our economy. We want people refining that oil and we want people -- and there hasn't been a refinery built here in a long time in this country.

And we want the oil to flow. We need for it to flow right now while we work our way into a more diversified situation.

GIBSON: Any of you, by the...

GIULIANI: Charlie, we really have to take the idea of energy independence and turn it into a program for energy independence. We've been talking about it since Richard Nixon, Jimmy Carter -- never done it. And it has to be done on the scale of putting a man on the moon.

All of the things that they've all talked about, we've talked about it a long time; we just haven't done it.

GIULIANI: We've got to expand nuclear. We've got to do clean coal. We've got to expand the use of hybrid vehicles, wind, solar, hydroelectric, liquid natural gas, natural gas, domestic oil, more refineries.

Senator Thompson is absolutely right: We haven't built a refinery, I think, in 30 years. We haven't licensed a nuclear power plant in 30 years.

France is 80 percent nuclear. We're 20 percent nuclear. China is building 40 nuclear power plants. We're having trouble getting one licensed for the last 30 years.

If we don't make this a major program, led by the president of the United States, the way Eisenhower started the program to put a man on the moon and then Kennedy followed and then Johnson followed and Nixon got it done -- two Republicans, two Democrats -- it should be an American achievement.

GIBSON: Nuclear is a very interesting issue here in the state of New Hampshire.

Governor Huckabee?

HUCKABEE: Well, I think it is possible to get energy independent, and do it within a decade. We're the same country that built an atomic...

GIBSON: In 10 years?

HUCKABEE: I believe we can -- if we want to; if we untax the possibilities of the innovations in technologies; if we also look at the fact that -- put an incentive out there that's just truly something dramatic: a billion-dollar bonus for the first person who can produce a car that can get 100 miles per gallon.

HUCKABEE: In addition to that, look at the alternative forms of energy that we can use. And everybody talked about...

(CROSSTALK)

THOMPSON: There'd be no windfall profit tax on that.

HUCKABEE: There wouldn't be, no.

THOMPSON: I agree.

HUCKABEE: And I don't believe there should, Fred, because I think we ought to un-tax innovation, un-tax income.

Anything -- any time you penalize productivity, it's counterintuitive to an economy. And one of the reasons that we're dependent is because we have allowed the oil companies to dictate not just prices, but policy.

And it's time to say that we're not going to allow dictators, whether it's the Middle East or from Venezuela, to continue to in essence enslave the American people, which is exactly what we've done.

Senator McCain is right. We have an issue now where we're paying for both sides of the war on terror. We pay for it with our tax dollars to fund the military, but every time we swipe our credit card in the gas pump, we might as well be sending a check over to the madrassas that are training the terrorists that eventually are going to come back to us. And that's why it's got to be an urgent matter of utmost priority.

GIBSON: We are just about out of time, but, Governor Romney, you're going to have the final word.

ROMNEY: We're going to have to deal with this in an honest way with the American people, and that is this is not something that's going to get solved in 10 years. We can't become energy independent in 10 years, but we can get ourselves on a track to do that, with all the ways that Senator McCain and Mayor Giuliani and Fred Thompson have described. We can get there.

ROMNEY: It's going to require a far more substantial investment by our nation in energy technology. Right now, we spend about \$4 billion a year on new sources of energy and energy efficiency. We're going to have to increase that dramatically.

And American corporations, last year they spent more money defending tort lawsuits than they spent on research and development. We're upside-down. The future of a great nation like ours depends on leading the world in technology and innovation, in energy in particular.

This has to be our highest domestic economic priority, get ourselves on a track to become energy secure and energy dependent -- independent. We can do that. It's within our grasp. But it's going to take reality rather than just the political rhetoric we've seen over the last 25 years.

GIBSON: And with that, gentlemen, we conclude the Republican debate, and I thank you. And I think you are due a round of applause.

(APPLAUSE)

I just want to take a moment -- and I want the audience to stay in place. We tend in these debates -- and I thank all of

them for being here -- to focus on differences.

But I think everyone agrees that what unites us as Americans is greater than what divides us.

And so, since tonight is unique, and since we have candidates of both parties here, I want to ask all of them to share the stage for a moment, just greet one another, as evidence that in one year, we will all come together to support our new president, someone who will be on this stage.

So just for a moment, I'd like to ask Senators Clinton and Edwards, Obama, Governor Richardson to join us on stage.

(APPLAUSE)

We are going to pause. We are going to pause for a commercial break. We will set for the Democratic debate, which will begin in just a few moments. We hope you'll all stay with us.

We're going to take a commercial break, and when we come back, Diane Sawyer and George Stephanopoulos will join us again.

Stay with us.

(COMMERCIAL BREAK)

SAWYER: And I'm here with George Stephanopoulos. And just moments ago, the Republican debate inside St. Anselm College in Manchester, New Hampshire, came to a close.

And that signature sight on stage there, George, the Democrats and Republicans not just rubbing elbows. Some embraces here?

STEPHANOPOULOS: And half embraces. Barack Obama striding right out in the middle of the stage, confident and first. You know, a little bit of the tension from these greetings was, who's going to kiss Hillary?

It looked like Mike Huckabee tried for it at one moment. I don't know if we see it there. I think that John McCain and Hillary Clinton, old friends, might have hugged.

SAWYER: It was fairly brief. And then they just passed right across and exited the other side of the stage.

And we'll tell you a little bit about what's happening right now. The audience is actually moving out, and the audience that is inclined to vote Democratic is coming in. The candidates, the Democratic candidates are now getting their mikes checked and going through that entire process.

But George, take a look back now at the Republican debate. What were your key thoughts?

STEPHANOPOULOS: I think the predicate was set early on that Mitt Romney was going to be the center of this debate and on the defensive. And here's one of the moments that mattered very early on. Mitt Romney was talking about his position on the war, and Mike Huckabee interjected.

(BEGIN VIDEO CLIP)

ROMNEY: Don't try and characterize my position. Of course, this war has...

HUCKABEE: Which one?

(END VIDEO CLIP)

STEPHANOPOULOS: Clean shot. A very clean shot by Mike Huckabee. And Diane, I counted up. These guys on the stage do not like Mitt Romney. He was attacked by Rudy Giuliani, Fred Thompson, John McCain, Mike Huckabee. He was the center of the debate even though he's not the leader anymore.

SAWYER: But in the politics of it all, can being the center of the debate in itself be a kind of advantage? And he had a chance to address things such as what he did on health care in Massachusetts.

STEPHANOPOULOS: I think that's going to be the question for viewers coming out of this, but he was on the defensive all night long. I think it was a tough night for him.

John McCain stayed out of a lot of the debate, but he was put on the defensive on the issue that's been his Achilles heel, immigration, and whether or not his plan was amnesty. He and Mitt Romney were going at it on that.

(BEGIN VIDEO CLIP)

MCCAIN: ... not amnesty. And for you to describe it as you do in the attack ads, my friend, you can spend your whole -- your whole fortune on these attack ads, but it still won't be true.

GIULIANI: May I make a...

ROMNEY: No, no, no, no. I get a chance to respond to this. I'm sorry. I'm sorry.

(CROSSTALK)

ROMNEY: I don't describe your plan as amnesty in my ad. I don't call it amnesty. What I say is -- and you just described what most people would say is a form of amnesty.

(CROSSTALK)

MCCAIN: There is no special right associated with my plan. I said they should not be in any way rewarded for illegal behavior.

ROMNEY: Are they sent home? Are they sent home?

MCCAIN: They have to get in line behind everybody...

ROMNEY: Are they sent home?

MCCAIN: Some of them are. Some of them are not.

(CROSSTALK)

STEPHANOPOULOS: Every second spent talking about immigration for John McCain is a bad second. This is the issue that made his campaign collapse last year, and he doesn't want to be talking about it.

I do think, Diane, that Fred Thompson had a terrific night. I mean, this is the Fred Thompson we used to see as an actor on television. He was confident. He was funny. He was well informed. The question is, is it too late to matter?

SAWYER: We were talking earlier about the fact that he's not really campaigning in New Hampshire, so he got to spend a couple of days maybe catching his breath...

STEPHANOPOULOS: That's exactly right.

SAWYER: ... when the others didn't.

OK, let's go right now, because in a few minutes George will handicap the Democratic debate about to begin. But we want to go to our political pros in the spin room, as we said, the room where everyone comes afterwards to try to change the headline in the morning.

And let's begin with senior political correspondent Jake Tapper. He's covering the Huckabee campaign.

Jake?

JAKE TAPPER, ABC NEWS SENIOR POLITICAL CORRESPONDENT: Hi, Diane.

Well, the Huckabee campaign is pretty pleased with the fact that they feel their candidate had the best communication skills of the evening, and here's one important point. He was the one who embraced Obama's message of change; differentiated from him on the issues, but embracing the message of change. And also he was one that talked about uniting America, which many Republicans and Democrats feel is an important message for the general election.

SAWYER: OK, let's turn to John Berman.

What about, John Berman, what are you hearing from the Romney campaign?

JOHN BERMAN, ABC NEWS: Well, they saw the same attacks that you both saw, and they say if they're ignoring you, they're not worried about you. They say the attacks by Mike Huckabee and John McCain on Mitt Romney seemed rehearsed.

Remember, this is their spin, and what they're hoping everyone says tomorrow morning is that Mitt Romney engaged in discussions about health care and immigration and tried to stay above the fray, but there was a lot of fray to go around, Diane.

SAWYER: OK, and weekend anchor Kate Snow is next to you there, John.

The Giuliani campaign -- what's the word?

KATE SNOW, ABC ANCHOR: Well, one thing they're saying is they think Romney had a really bad night.

They also think that Giuliani came out strong. They think that he's strong on the issues. He's prepared to tackle big issues. You heard him mention 9/11 several times over. His strength is terrorism, anti-terrorism. He will talk about that as much as he possibly can.

They also think that the more that Romney and McCain go after each other and go negative, the better off Rudy Giuliani is. His strategy is really not one that centers on New Hampshire. He's going for the high-delegate-count states, the states like Florida and California, New York, that vote much later in this process.

So he thinks, if he can, sort of, stay out of the fray right now, he's got a good shot at all those states.

SAWYER: OK. We want to turn to Ron Clayburn (ph).

Ron, I want to remind everybody the latest WMUR poll has McCain, the candidate you're going to talk about, in front, with 33 percent, and Romney in second with 27 percent.

So what are the McCain forces saying?

CLAYBURN (?): Well, a McCain adviser is telling me that the debate showed that John McCain was the adult in the room. He got to talk about health care. He talked about immigration.

Now, he's been attacked by Mitt Romney in a series of ads, over his immigration plans. Their version is that he was able to clean up the controversy over immigration and, in the process, he got in that zinger that you just showed a little while ago, where he said, "You can spend your entire fortune, your whole fortune on attack ads, and it still won't be true."

And John McCain also got in another couple of zingers where he alluded to Mitt Romney changing his positions.

CLAIBORNE: They're saying it was a good night for John McCain.

SAWYER: All right, each of the campaigns taking their best shots there.

Thanks to you all.

Stand by for the Democrats.

But, of course, the evening isn't just about what the candidates and their forces say, it's also about what you feel at this pivotal moment is history.

And for some instant reaction from those watching and taking part on Facebook, we go back again to Bianna Golodryga.

What are you hearing, Bianna?

GOLODRYGA: We're hearing a lot, Diane. Actually, thousands of people are debating the debate. And we've picked a few key issues right now we want to talk to you about.

Charlie brought up foreign policy, and so we asked people, are they more informed about the candidates' foreign policy? Sixty-seven percent say yes; 33 percent say no.

Another interesting issue: Is tonight's debate giving you a better sense of who you will vote for? Some people must be saying the right and the wrong answers, because 75 percent of the people answered yes; 25 percent answered no.

And, lastly, this could be the most interesting out of what we found thus far: Which issue do you wish the Republican candidates spent more time on?

Overwhelmingly, the economy came up as first. Forty-five percent said the economy; 13 percent said health care; 10 percent said the war in Iraq.

Now, the economy is a big issue right now. Of course, we got a weaker than expected jobs report, the worst unemployment level in two years.

Recession was not even brought up during this debate. We'll have to see what the Democrats say as far as the boards lighting up to their response on the economy. Also, really quick, we want to give you some real-time sound bites from our sound board right now. People are typing in their thoughts, real time. Health care is a big issue.

Cathy (ph) is a mother. She's saying, "As a mother, I'm most concerned about health care. My family has health care, but I'm distressed for those who don't. We do need a change."

Another issue people brought up was McCain. McCain said he is not taking a bigger part in the debate right now.

So, Diane, that's what we have for you.

SAWYER: So, saying that McCain didn't weigh in enough in the debate.

I've got a question for you. Can I put it on there? Because I've got a spontaneous answer. (inaudible)

Biggest surprise? Anybody surprised in a big way about anything that happened in the debate? Love to hear the answer to that coming up.

GOLODRYGA: And we will get that.

SAWYER: All right.

And our thanks to you, Bianna.

And when we take a break, we will come back with George Stephanopoulos, who's going to examine the Democrats and what's ahead for them in the next debate, as they get ready to join forces, sit down.

And Charlie Gibson moderates.

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