

January 15, 2008

TRANSCRIPT

The Democratic Debate in Las Vegas

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

DEMOCRATIC PRESIDENTIAL CANDIDATES DEBATE PARTICIPANTS:

SENATOR HILLARY CLINTON (D-NY)

FORMER SENATOR JOHN EDWARDS (D-NC)

SENATOR BARACK OBAMA (D-IL)

MODERATORS:

BRIAN WILLIAMS

TIM RUSSERT

NATALIE MORALES

MR. WILLIAMS: As we sit here this, as may you may know, is the Reverend Dr. Martin Luther King's birthday. Race was one of the issues we expected to discuss here tonight. Our sponsors expected it of us. No one, however, expected it to be quite so prominent in this race as it has been over the last 10 days.

We needn't go back over all that has happened, except to say that this discussion, before it was over, involved Dr. King, President Johnson, even Sidney Poitier, several members of Congress and a prominent African-American businessman, supporting Senator Clinton, who made what seemed to be a reference to a part of Senator Obama's teenage past that the senator himself has written about in his autobiography.

The question to begin with here tonight, Senator Clinton, is, how did we get here?

SEN. CLINTON: Well, I think that what's most important is that Senator Obama and I agree completely that, you know, neither race nor gender should be a part of this campaign.

It is Dr. King's birthday. The three of us are here in large measure because his dreams have been realized: you know, John, who is, as we know, a son of a mill worker and, you know, really has become an extraordinary success; Senator Obama, who has such an inspirational and profound story to tell America and the world; I, as a woman who is also beneficiary of the civil rights movement and the women's movement and the human rights movement. And the Democratic Party

has always been in the forefront of that.

So I very much appreciate what Senator Obama and I did yesterday, which is that we both have exuberant and sometimes uncontrollable supporters, that we need to get this campaign where it should be.

And we're all family in the Democratic Party. We are so different from the Republicans on all of these issues, in every way that affects the future of the people that we care so much about.

So I think that it's appropriate on Dr. King's birthday, his actual birthday, to recognize that all of us are here as the result of what he did, all of the sacrifice, including giving his life, along with so many of the other icons that we honor. But I know that Senator Obama and I share a very strong commitment to making sure that this campaign is about us as individuals.

MR. WILLIAMS: Senator Obama, same question.

SEN. OBAMA: Well, I think Hillary said it well. You know, we are right now, I think, in a defining moment in our history. We've got a nation at war, our planet is in peril, and the economy is putting an enormous strain on working families all across the country.

Now, race has always been an issue in our politics and in this country, but one of the premises of my campaign and, I think, of the Democratic Party -- and I know that John and Hillary have always been committed to racial equality -- is that we can't solve these challenges unless we can come together as a people and we're not resorting to the same -- or falling into the same traps of division that we have in the past.

I think our party has stood for that. Dr. King stood for that. I hope that my campaign has inspired that same sense, that there's much more that we hold in common than what separates us. And -- and that is how I want to move this campaign forward, and I hope that's how it moves forward.

MR. WILLIAMS: And, Senator Edwards, you waded into this topic tangentially yesterday.

MR. EDWARDS: Well, I -- the only thing I would add is I had the perspective of living in the South, including at a time when there was segregation in the South, and I feel an enormous personal responsibility to continue to move forward. Now, we've made great progress, but we're not finished with that progress, and the struggles and sacrifice of Dr. King and many others who gave blood, sweat, tears, and in some cases their lives to move America toward equality.

And I saw it. I saw it when four young men walked into a Woolworth luncheon counter in Greensboro, North Carolina, and sat down, had the courage and strength to do the right thing. And they literally stood up -- stood up on behalf of African-Americans, on behalf of southerners, on behalf of Americans, helped move this country forward in a really serious way.

And having seen the pain and the struggle and the sacrifice of so many up close, because I lived with it -- I lived with it in my years growing up -- I think we, all of us, have an enormous responsibility, not to go back but to go forward.

And I would just add, I think, it goes far beyond the Democratic Party. This is about American and about creating real equality in America across the waterfront.

MR. WILLIAMS: The questioning continues with Tim Russert.

MR. RUSSERT: In terms of accountability, Senator Obama, Senator Clinton on Sunday told me that the Obama campaign had been pushing this storyline. And true enough, your press secretary in South Carolina -- four pages of alleged comments made by the Clinton people about the issue of race. In hindsight, do you regret pushing this story?

SEN. OBAMA: Well, not only in hindsight but going forward.

I think that as Hillary said, our supporters, our staff get overzealous. They start saying things that I would not say, and it is my responsibility to make sure that we're setting a clear tone in our campaign. And I take that responsibility very seriously, which is why I spoke yesterday and sent a message, in case people were not clear, that what we want to do is make sure that we focus on the issues.

Now, there are going to be significant issues that we debate and some serious differences that we have, and I'm sure those will be on display today. What I am absolutely convinced of is that everybody here is committed to racial equality, has been historically.

And what I also expect is that I'm going to be judged as a candidate in terms of how I'm going to be improving the lives of the people of Nevada and people all across the country -- that they are going to be ultimately making judgments on can I deliver on good jobs and good wages; can I make sure that our home foreclosure crisis is adequately dealt with; are we going to be serious about retirement security; and are we going to have a foreign policy that makes us safe. And if I'm communicating that message, then I expect to be judged on that basis. And if I'm not, then I expect to be criticized on that basis. And that's the kind of campaign that we want to run and that we have run up until this point.

MR. RUSSERT: Do you believe this is a deliberate attempt to marginalize you as the black candidate?

SEN. OBAMA: No. As I said, you know, I think that if you look not just at this campaign, but at my history -- my belief is that race is a factor in our society.

But I think what happened in Iowa is a testimony to the fact that the American public is willing to judge people on the basis of who can best deliver the kinds of changes that they're so desperately

looking for, and that's the kind of movement that we want to build all across the country. And that, I think, is the legacy of Dr. King that we need to build on.

MR. RUSSERT: In New Hampshire your polling was much higher than the actual vote result. Do you believe in the privacy of the voting booth that people used race as an issue?

SEN. OBAMA: No. I think what happened was that Senator Clinton ran a good campaign up in New Hampshire. And, you know, I think that people recognize we've got some terrific candidates who are running vigorous campaigns. It's going to be close everywhere we go. It's close here in Nevada. It's going to be close in South Carolina. And, you know, at any given moment people are going to be making judgments based on who they think is best speaking to them about the urgent problems that they're facing in this country.

Now, the one thing I'm convinced about, and this was true in Iowa and this is true in New Hampshire as well, is that change is going to happen because the American people determine that change is going to happen. And that's what I draw from Dr. King's legacy.

You know what happens in Washington is important, and we've got to have elected officials that are accountable and serious about moving forward on the goals of opportunity and upward mobility. But if we don't have an activated people, a unified people -- black, white, Latino, Asian -- who are all moving in the same direction and demanding that change happens, then Washington special interests, lobbyists end up dominating the agenda. That's what I want to change.

MR. RUSSERT: Senator Clinton, in terms of accountability, you told me on Sunday morning, "Any time anyone has said anything that I thought was out of bounds, they're gone. I've gotten rid of them." Shortly thereafter, that same afternoon, Robert Johnson, at your event, said, quote, "When Barack Obama was doing something in the neighborhood that -- I won't say what he was doing, but he said it in his book" -- widely viewed as a reference to Senator Obama's "Dreams from My Father," from 1995, where he talked about his drug use as a teenager. Will you now not allow Robert Johnson to participate in any of your campaign events because of that conduct?

SEN. CLINTON: Well, Bob has put out a statement saying what he was trying to say and what he thought he had said. We accept him on his word on that.

But clearly we want to send a very clear message to everybody that this campaign is too important for us to either get diverted or frankly get the message of what we want to do for our country subverted by any kind of statements or claims that are just not part of who I am or who Barack or John are, because I think what's critical here is that the American people understand clearly what is at stake in this election.

The stakes are really high, and there's an urgent need for leadership on a range of issues, you know, some of which are now becoming, right here in front of us, about whether or not people are going to

be able to keep their homes in Nevada, whether they're going to have jobs.

You know, I went door to door in Las Vegas last week and, you know, I met construction workers who've been laid off. I met a casino employee who's already been laid off. So what people talk to me about is not what somebody they never heard of said but what we say, what we're for, what we're standing for and what we're going to be pushing for. So I accept what he said, but I think what's important is what I say and what each of us says about the kind of president we intend to be and how we're going to get there.

MR. RUSSERT: Were his comments out of bounds?

SEN. CLINTON: Yes, they were, and he has said that.

MR. WILLIAMS: We're going to continue the questioning now with Natalie Morales.

MS. MORALES: Thank you, Brian. And this is a question for Senator Edwards. It comes to us from Margaret Wells from San Diego, California.

Senator, she's asking, the policy differences among the remaining candidates is so slight that we appear to be choosing on the basis of personality and life story. That being said, why should I, as a progressive woman, not resent being forced to choose between the first viable female candidate and the first viable African American candidate?

MR. EDWARDS: Well, I think that the decision for every voter in this election should revolve around, first, whether you believe America needs change; if you do, who you think would be most effective in bringing about that change. We have different perspectives on that.

I think the system in Washington is broken. I don't think it works. And I think the American people -- middle-class Americans are struggling and suffering. They can't pay for their health care. They're losing their jobs. They can't pay for their kids to go to college.

Now, this is a very personal thing for me. Hillary mentioned a minute ago that I grew up in a family of mill workers. I was the first person in my family to actually be able to go to college. And so this battle for real opportunity for everybody, the kind of chances I've had in my own life, is central to everything I do. It is central to this campaign. It is a personal, personal fight for me.

And I think the decision that voters make about who can best fight for the middle class, who will never give up on the fight for universal health care, who will actually stand up strongly and -- and fervently for the right to organize, for unions to be able to organize in the workplace. These things are not academic for me; they are my life. I believe in them to my soul. And I will fight with every fiber of my being to make sure that everybody gets that kind of opportunity.

And I think there are some differences on policy and perspective between the three of us, and I hope

we get a chance to talk more about that today.

MS. MORALES: And Senator Edwards, as a follow-up to Margaret Wells' question, what is a white male to do running against these historic candidacies? (Laughter.)

MR. EDWARDS: You know, I have to say, on behalf of my party -- and I've said this -- I've said this many times -- I'm proud of the fact that we have a woman and an African-American who are very, very serious candidates for the presidency. They both ask not to be considered on their gender or on their race. I respect that.

I do believe, however, that it says really good things about America, and I think, actually believe that both through these primaries and caucuses and in the general election, that the American people are going to make decisions based on who we are, what we stand for and what we're fighting for.

MR. WILLIAMS: A question for Senator Obama. You won the women's vote in Iowa, but Senator Clinton won the women's vote in New Hampshire; and there probably isn't an American alive today who hasn't heard the post-game analysis of New Hampshire, all the reasons the analysts give for Senator Clinton's victory. Senator Clinton had a moment where she became briefly emotional at a campaign appearance. But another given was at the last televised debate when you, in a comment directed to Senator Clinton, looked down and said, "You're likable enough, Hillary."

That caused Frank Rich to write, on the op-ed page of The New York Times, that it was your most inhuman moment to date, and it clearly was a factor and added up. Senator Obama, do you regret the comment and comments like that today?

SEN. OBAMA: Well, I absolutely regret it, because that wasn't how it was intended. I mean, what -- folks were giving Hillary a hard time about likability, and my intention was to say, I think you're plenty likable. And it did not come out the way it was supposed to.

But you know, I do think that during the course of that debate, there was a tendency to parse out what is, I think, not an issue. I think all three of these candidates are good, capable people. And what we really should be focusing on is, you know, who's got a vision for how we're going to move the country forward?

And I believe that right now, the only way we're going to move the country forward is if we can bring the country together, not just Democrats but independents, Republicans who have also lost trust in government, and we are able to push aside the special interests and the lobbyists, and we are truthful to the American people and enlisting them in changing how our health care system works, how our economy works, what our tax code looks like. And that is going to be an issue that, I think, all of us are going to have to struggle with over the coming days.

It's not going to be an issue of, you know, who's got the nicest smile or, you know, who's going to be

fun to have a beer with. It's going to be who can provide the leadership that makes sure the country is moving forward through what I anticipate are going to be some difficult times and who is going to be able to transform how Washington works in a fundamental way.

MR. WILLIAMS: And one more question about that last televised debate, Senator Edwards. Afterwards Senator Clinton said it was as if you and Senator Obama had formed a buddy system against her. Senator Clinton put out an Internet ad that was entitled "Piling On." Looking back on it, the campaign for New Hampshire, in total, do you admit that it might have looked that way?

MR. EDWARDS: Might have looked way or actually was that way? I don't think it was that way. I mean, my -- my job, as a candidate for president of the United States, is to speak the truth as I see it. I have spoken the truth. I will continue to speak the truth, whatever the consequences are and whatever the perception that -- that people have is.

I do believe that I am a candidate for president who is fighting for change, who believes that we have entrenched moneyed interests in this country that are preventing the middle class from having a real chance.

And it's drug companies, insurance companies, oil companies, there are lobbyists. Barack spoke about them just a few minutes ago. It's why I've never, the whole time I've been in public life, taken a dime from a Washington lobbyist or special-interest PAC, because I do believe those people stand between America and the change that it so desperately needs, in real ways. They're the reason we don't have universal health care. They're the reason we have a trade policy that's cost America millions of jobs. They're the reason we have an insane tax policy that actually gives tax breaks to American companies sending jobs overseas.

The promise of America that I and millions of others have lived -- and we are in Nevada tonight, a place that people come to in the thousands every day to find the promise of America because they believe in it. It is central to everything we are as a nation. And I do believe that that promise is being jeopardized by very well- financed, monied interests. I believe that's the truth, and I'm going to keep saying it.

MR. WILLIAMS: Tim.

MR. RUSSERT: Senator Clinton --

AUDIENCE MEMBER: (Could we stop talking ?) race-based questions coming from you two? These are race-based questions. (Off mike) -- race-based and (gender ?)-based.

MR. RUSSERT: Senator Clinton, your husband said that Senator Obama very well could be the nominee; he could win. With that in mind, when you say that Senator Obama is raising false hopes and you refuse to say whether he's ready to be president, what are the consequences of those comments in the fall against the Republican?

SEN. CLINTON: Well, Tim, we're in a hard-fought primary season. I think each of us recognize that.

You know, we're the survivors of what has been a yearlong campaign, but I certainly have the highest regard for both Senator Obama and Senator Edwards. I've worked with them. I have, you know, supported them in their previous runs for office. There's no doubt that when we have a nominee, we're going to have a totally unified Democratic Party.

The issue for the voters here in Nevada, South Carolina and then all of the states to come is who is ready on day one to walk into that Oval Office knowing the problems that are going to be there waiting for our next president: a war to end in Iraq; a war to resolve in Afghanistan; an economy that I believe is slipping toward a recession, with the results already being felt here in Nevada with the highest home foreclosure rate in the entire country; 47 million Americans uninsured; an energy policy that is totally wrong for America, for our future.

You know, President Bush is over in Gulf now begging the Saudis and others to drop the price of oil. How pathetic! We should have an energy policy right now putting people to work in green-collar jobs as a way to stave off the recession, moving us toward energy independence. All of that and more is waiting for our next president.

You know, obviously, each of us believes that we are the person who should walk into that Oval Office on January 20th, 2009. I'm presenting my experience, my qualifications, my ideas, my vision for America. And it's rooted in the voices that I hear -- that I've heard for 35 years -- of people who want a better life for themselves and their children. And I'm going to keep, you know, putting forward what I have done and what I will do. And this is what this election, I think, is really about.

MR. RUSSERT: You may think you are the best prepared, but would you acknowledge that Senator Obama and Senator Edwards are both prepared to be president?

SEN. CLINTON: Well, I think that that's up to the voters to decide. I think that that's something that voters have to make a decision about on all of us. They have to look at each and every one of us and imagine us in the Oval Office, imagine us as commander in chief, imagine us making tough decisions about everything we know we're going to have to deal with, and then all of the unpredictable events that come through the door of the White House and land on the desk of the president.

MR. RUSSERT: Senator Obama, you gave an interview to The Reno Gazette-Journal, and you said we all have strengths and weaknesses. You said one of your weaknesses is, quote, "I'm not an operating officer." Do the American people want someone in the Oval Office who is an operating officer?

SEN. OBAMA: Well, I think what I was describing was how I view the presidency.

Now, being president is not making sure that schedules are being run properly or the paperwork is

being shuffled effectively. It involves having a vision for where the country needs to go. It involves having the capacity to bring together the best people and being able to spark the kind of debate about how we're going to solve health care, how we're going to solve energy, how we are going to deliver good jobs with good wages, how we're going to keep people in their homes here in Nevada, and then being able to mobilize and inspire the American people to get behind that agenda for change. That's the kind of a leadership that I've shown in the past. That's the kind of leadership that I intend to show as president of the United States.

So what's -- what's needed is sound judgment, a vision for the future, the capacity to tap into the hopes and dreams of the American people and mobilize them to push aside those special interests and lobbyists and forces that are standing in the way of real change -- and making sure that you have a government that reflects the decency and the generosity of the American people. That's the kind of leadership that I believe I can provide.

MR. RUSSERT: You said each of you have strengths and weaknesses. I want to ask each of you quickly, your greatest strength, your greatest weakness.

SEN. OBAMA: My greatest strength, I think, is the ability to bring people together from different perspectives, to get them to recognize what they have in common and to move people in a different direction.

And as I indicated before, my greatest weakness, I think, is when it comes to -- I'll give you a very good example. I ask my staff never to hand me paper until two seconds before I need it, because I will lose it. (Laughter.) You know. The -- you know. And my desk in my office doesn't look good. I've got to have somebody around me who is keeping track of that stuff. And that's not trivial. I need to have good people in place who can make sure that systems run. That's what I've always done. And that's why we've run not only a good campaign but a good U.S. Senate office.

MR. RUSSERT: Senator Edwards? Greatest strength, greatest weakness.

MR. EDWARDS: I think my greatest strength is that for 54 years I've been fighting with ever fiber in my being. In the beginning, the fight was for me. Growing up in mill towns and mill villages, I had to literally fight to survive. But then I spent 20 years in courtrooms fighting for children and families against really powerful, well-financed interests.

I learned from that experience, by the way, that if you're tough enough and you're strong enough and you got the guts and you're smart enough, you can win. That's a fight that can be won. It can be won in Washington, too, by the way. And I've continued that -- that fight my entire time in public life.

So I've got what it takes inside to fight on behalf of the American people and on behalf of the middle class.

I think weakness -- I sometimes have a very powerful emotional response to pain that I see around me. When I see a man like Donnie Ingram, who I met a few months ago in South Carolina, who worked with for 33 years in the mill, reminded me very much of the kind of people that I grew up with, who's about to lose his job, has no idea where he's going to go, what he's going to do -- I mean, his dignity and self-respect is at issue, and I feel that in a really personal way and in a very emotional way. And I think sometimes that can undermine what you need to do.

MR. RUSSERT: Senator Clinton?

SEN. CLINTON: Well, I am passionately committed to this country and what it stands for. I'm a product of the changes that have already occurred, and I want to be an instrument for making those changes alive and real in the lives of Americans, particularly children. That's what I've done for 35 years. It is really my life's work. It is something that comes out of my own experience, both in my family and in my church; that, you know, I've been blessed. And I think to whom much is given, much is expected.

So I have tried to create opportunities, both on an individual basis, intervening to help people who have nowhere else to turn, to be their champion -- I meant to make those changes, and I think I can deliver change.

I think I understand how to make it possible for more people to live up to their God-given potential.

I get impatient. I get, you know, really frustrated when people don't seem to understand that we can do so much more to help each other, and sometimes I come across that way. I admit that. I get very concerned about, you know, pushing further and faster than perhaps people are ready to go.

But I think that, you know, there is a difference here. You know, I do think that being president is the chief executive officer, and I respect what Barack said about setting the vision, setting the tone, bringing people together. But I think you have to be able to manage and run the bureaucracy. You've got to pick good people certainly but you have to hold them accountable every single day.

We've seen the results of a president who frankly failed at that. You know, he went in to office saying he was going to have the kind of Harvard Business School CEO model, where he'd set the tone, he'd set the goals, and then everybody else would have to implement it. And we saw the failures. We saw the failures along the Gulf Coast with, you know, people who were totally incompetent and insensitive, failing to help our fellow Americans.

We've seen the failures with holding the administration accountable with the no-bid contracts and the cronyism.

So I do think you have to do both. It's a -- it's a really hard job, and in America we put, you know, the head of state and the head of government together in one person. But I think you've got to set the tone, you've got to set the vision, you've got to set the goals, you've got to bring the country

together. And then you do have to manage and operate and hold that bureaucracy accountable to get the results you're trying to achieve.

MR. RUSSERT: Senator Obama, Senator Clinton invoked your name. I'll give you a chance to respond.

SEN. OBAMA: Well, I -- there's no doubt that you've got to be a good manager, and that's not what I was arguing.

The point in terms of bringing together a team is that you get the best people, and you're able to execute and hold them accountable. But I think that there -- there's something, if we're going to evaluate George Bush and his failures as president, that I think are much more important. He was very efficient. He was on time all the time and, you know, had -- (laughter) -- you know, I -- I'm sure he never lost a paper. I'm sure he knows where it is. (Laughter.)

What -- what -- what he -- what he could not do -- what he could not do is to listen to perspectives that didn't agree with his ideological predispositions. What he could not do is to bring in different people with different perspectives and get them to work together. What he could not do is to manage the -- the effort to make sure that the American people understood that if we're going to go into war, that there are going to be consequences and there are going to be costs.

And we have to be able to communicate what those costs are and to make absolutely certain that if we're going to make a decision to send our young men and women into harm's way, that it's based on the best intelligence and that we've asked tough questions before we went in to fight.

I mean, those are -- those are the kinds of failures that have to do with judgment, they have to do with vision, the capacity to inspire people. They don't have to do with whether or not he was managing the bureaucracy properly. That's not to deny that there has to be strong management skills in the presidency. It is to say that what has been missing is the ability to bring people together, to mobilize the country to move us in a better direction, and to be straight with the American people. That's how you get the American people involved.

MR. WILLIAMS: Time for the rebuttal has expired.

Senator Obama, a fresh question here. It may not come as news to you that there is a lot of false information about you circulating on the Internet. We receive one e-mail in particular usually once several weeks. We've received three of them this week. This particular one alleges, among other things, that you are trying to hide the fact that you are Muslim; that you took the oath of office on the Koran and not the Bible; that you will not pledge allegiance to the flag or generally respect it.

How -- how do you -- how does your campaign go on about combatting this kind of thing?

SEN. OBAMA: Well, look, first of all, let's make clear what the facts are.

I am a Christian. I have been sworn in with a Bible. I pledge allegiance and lead the Pledge of Allegiance sometime in the United States Senate, when I'm presiding. I haven't been there lately because I've been in Iowa and New Hampshire. (Laughter.)

But you know, look, in the Internet age, there are going to be lies that are spread all over the place. I have been victimized by these lies. Fortunately the American people are, I think, smarter than folks give them credit for. And you know, it's a test. These e-mails were going out in Iowa; they were going out in New Hampshire. And we did just fine. If we didn't do well, for example, in New Hampshire, it wasn't because of these e-mails. It was because we didn't do what we needed to do in our campaign.

So my job is to tell the truth, to be straight with the American people about how I intend to end climate change, what I'm going to do with respect to providing health care for every American, how we're going to provide tax relief to hard-working Americans who are really feeling the pinch, and to present my vision for where the country needs to go. If I'm doing that effectively, then I place my trust in the American people that they will sort out the lies from the truth and they will make a good decision.

MR. WILLIAMS: Senator Obama, thank you.

At this point, we are going to take the first of exactly three breaks in the two-hour broadcast tonight. On the other side of this break, among the topics we'll take on, the economy, when we continue from Las Vegas after this. (Applause.)

(Announcements.)

MR. WILLIAMS: We are back live in Las Vegas, Nevada with the three top candidates for the Democratic nomination for president. Brian Williams with Tim Russert, Natalie Morales.

We're going to continue the questioning here on the topic of the economy, and then within this portion of the broadcast we're going to try something new for this series, and that is the candidates will have two questions each to ask of their fellow candidates.

So while they think about that, we will start off with the economy and a question for you, Senator Clinton. This evening on NBC Nightly News, our lead story was about the fact that Citigroup and Merrill Lynch have both gone overseas, as some put it hat in hand, looking for \$20 billion in investment to stay afloat from, among other things, the government of Singapore, Korea, Japan, and the Saudi Prince al-Waleed, the man -- Rudolph Giuliani turned his money back after 9/11.

This is -- strikes a lot of Americans as just plain wrong. At the end of our report, we said this may end up in Congress. What can be done? And does this strike you as fundamentally wrong, that much foreign ownership of these American flagship brands?

SEN. CLINTON: Brian, I'm very concerned about this.

You know, about a month and a half or so ago, I raised this concern because these are called sovereign wealth funds. They are huge pools of money, largely because of oil and economic growth in Asia. And these funds are controlled often by governmental entities or individuals who are closely connected to the governments in these countries.

I think we've got to know more about them. They need to be more transparent. We need to have a lot more control over what they do and how they do it. I'd like to see the World Bank and the International Monetary Fund begin to impose these rules. And I want the United States Congress and the Federal Reserve Board to ask these tough questions.

But let's look at how we got here. We got here because, as I said on Wall Street on December 5th, a lot of our big financial institutions, you know, made these bets on these subprime mortgages. They helped to create this meltdown that is happening, that is costing millions of people who live in homes that are being foreclosed on or could be in the very near future because the interest rates are going up. And what they did was to take all these subprime mortgages and conventional mortgages, bundle them up and sell them overseas to big investors. So we're getting the worst of both worlds.

We can't figure out under this administration what we should do. I have a plan -- a moratorium on foreclosures for 90 days, freezing interest rates for five years, which I think we should do immediately. The administration is doing very little. And what we now see is our financial institutions having to go hat in hand to borrow money from these foreign funds.

I'm very concerned about it. I'd like to see us move much more aggressively both to deal with the immediate problem with the mortgages and to deal with these sovereign wealth funds.

MR. WILLIAMS: Senator Edwards, I neglected to point out that one of the companies keeping these giant American banks afloat is Kuwait -- a nation, an economy arguably afloat itself today, as you know, thanks to the blood, sweat, and tears of American soldiers. What would you do as a remedy?

MR. EDWARDS: Well, the things that Senator Clinton just spoke about are correct. We need more transparency; we need to know what's actually happening. But the fundamental problem is what's happening at the core of the American economy.

What's happening to the economy in America, if you look at it from -- distance, is we have economic growth in America; we still do. But almost the entirety of that economic growth is with the very wealthiest Americans and the biggest multinational corporations.

You ask any middle class family in America, and they will tell you they do not feel financially secure. They're worried about their job; they're worried about paying for health care; they're worried about how they're going to send their kids to college; they're worried about, in many cases -- here in Nevada particularly -- worried about their home being foreclosed on.

I spoke a few minutes ago about thousands of people coming to Nevada every day to try to find the promise of America, to try to find a good job, a good home, to meet the great moral test that all of us have as Americans, which is to make certain that our children have a better life than we have. This is the great challenge that we're facing in this election.

We talked about other historic moments. It is an historic moment for America in this election. Are we going to do what our parents and our grandparents did, who worked and struggled and suffered to ensure that we would have a better life? They have now passed that torch to us, and it is our responsibility and it will be my responsibility as president to ensure that our children and our grandchildren have a better life than we had.

MR. WILLIAMS: Tim?

Oh, Senator Obama. A rebuttal.

SEN. OBAMA: Well, it's not a rebuttal. I just want to pick up on a couple things that have been said.

Number one, part of the reason that Kuwait and others are able to come in and purchase, or at least bail out, some of our financial institutions is because we don't have an energy policy. And we are sending close to a billion dollars a day.

And this administration has consistently failed to put forward a realistic plan that is going to reduce our dependence on foreign oil, is going to invest in solar and wind and biodiesel. You look at a state like Nevada. One thing I note is folks have got a lot of sun here, and yet we have not seen any serious effort on the part of this administration to spur on the use of alternative fuels, raise fuel efficiency standards on cars. That would make a substantial difference in our balance of payments, and that would make a substantial difference in terms of their capacity to purchase our assets.

And the second thing I just want to point out is that the -- the sub-prime lending mess, part of the reason it happened was because we had an administration that does not believe in any kind of oversight. And we had the mortgage industry spending \$185 million on lobbying to prevent provisions such as the ones that I proposed over a year ago that would say, you know, you've got to disclose properly what kinds of loans you're giving to people on mortgages. You've got to disclose if you've got a teaser rate and suddenly their mortgage payments are going to jack up and they can't pay for them.

And one of the things that I intend to do as president of the United States is restore a sense of accountability and regulatory oversight over the financial markets. We have the best financial markets in the world, but only if they are transparent and accountable and people trust them. And increasingly, we have not had those structures in place.

MR. WILLIAMS: Time's up, Senator.

MR. RUSSERT: Senator Edwards, poor folk, middle-class folks, really feeling the pinch.

MR. EDWARDS: Yeah.

MR. RUSSERT: Bankruptcies are up 40 percent in one year. Five percent of credit card debts are now delinquent. In 2001 you voted for a bankruptcy bill which was the precursor to the 2005 bankruptcy bill that became law, which made it much tougher for middle-class folks, particularly women, when they became bankrupt. Do you regret that vote?

MR. EDWARDS: I absolutely do. I should not have voted for that bankruptcy law.

If you look at what's happening in America today, the -- the bankruptcies that are occurring -- about half of them are the result of medical costs. And the idea that any single mom who has a child who gets catastrophically sick and incurs \$30,000 of medical costs has to go into bankruptcy as a result and can't be relieved of that debt makes absolutely no sense. And it's not fair, and it's not right.

And I spoke for just -- just a few minutes ago about the great struggles that the middle class are faced with in this country. And you hear it every single day, because what's happening in America is, jobs are leaving, cost of everything is going up -- health care, college tuition, everything. And -- and on top of that, middle-class incomes are not going up. The incomes at the very top are going up. Profits of big corporations are going up. But the -- but the incomes of middle-class families are not going up.

So the question is, what do we do about it? Besides having somebody who truly understands in a personal way what's happening, what would the president of the United States do? There are a bunch of things we need to do.

We desperately need truly universal health care that covers every single American and dramatically reduces health care costs. We do need, as Barack spoke about just a few minutes ago, a radical transformation of the way we produce and use energy. We can create at least a million new jobs in that transition. We need a national law cracking down on predatory and payday lenders that are taking advantage of our most vulnerable families.

We ought to raise the national minimum wage, which is going up to 7.25 an hour. That's fine. It's not enough. The national minimum wage should be at least \$9-and-a-half an hour. It ought to be indexed to go up on its own.

We need to make it easier for kids to go to college. My proposal is that we say to any young person in America who's willing to work when they're in college, at least 10 hours a week, we'll pay for their tuition and books at a state university or a community college. And that can be paid for by getting rid of big banks as the intermediary in student loans. They make 4 (billion) or \$5 billion a year. That money ought to be going to sending kids to college.

MR. RUSSERT: Senator Clinton, you voted for the same 2001 bankruptcy bill that Senator Edwards just said he was wrong about. After you did that, the Consumer Federation of America said that your reversal on that bill, voting for it, was the death knell for the opponents of the bill. Do you regret that vote?

SEN. CLINTON: Sure, I do. It never became law, as you know. It got tied up. It was a bill that had some things I agreed with and other things I didn't agree with, and I was happy that it never became law. And I opposed the 2005 bill as well.

But let's talk about where we are now with bankruptcy. We need urgently to have bankruptcy reform in order to get the kind of options available for homeowners. In addition to what I want to do, which is the moratorium on foreclosures for 90 days to see what we can do to work them out, and freezing interest rates for five years, and making the mortgage industry more transparent so we actually know what they're doing -- I mean, look what happened with Countrywide. You know, Countrywide gets bought and the CEO, who was one of the architects of this whole subprime mess, is sent off with \$110 million -- \$110 million in severance pay. You know, the priorities and the values are absolutely wrong. So what we've got to do is move urgently.

In addition to what I've proposed, I think we've got to reform the bankruptcy law right now going forward so that people who are caught in these subprime and now increasingly conventional loans that they can't pay because of the way the interest rates are going up, and many of the fraudulent and predatory practices that got people into them in the first place, will have the option of getting relieved of this debt. So there's a lot we need to do right now.

And you know, I want to just add that -- that the groups that sponsored this are primarily black and brown groups, that care deeply about these issues. Everything we're talking about falls disproportionately on African Americans, on Hispanics, on a lot of Asian Americans. Here in Nevada, the African American and Hispanic communities are really the ones who are most victimized by these subprime mortgages.

They're the ones who are often the first to be let go when the economy begins to slide. You know, in and out of the homes that I have visited in here in Las Vegas, those are the stories that I'm hearing.

So we need to move urgently. We have a lot of big agenda items that I agree with John on -- universal health care, college affordability -- but we can't wait. We're going to lose another, you know, million Americans in home foreclosures. We're going to see a deteriorating community across America because homes will be left vacant. The housing market is down. Nobody will buy those homes. Housing wealth, which is the principal source of American middle class wealth, is now decreasing.

So I have a real sense of urgency. We need to be acting now. And I know that the Democratic Congress under Senator Harry Reid and Speaker Pelosi are going to do everything they can to

address this.

MR. RUSSERT: Senator Obama, the 2001 bankruptcy bill, the 2005 bankruptcy bill.

SEN. OBAMA: I opposed them both. I think they were bad ideas, because they were pushed by the credit card companies, they were pushed by the mortgage companies, and they put the interests of those banks and financial institutions ahead of the interests of the American people. And this is typical.

Now, Hillary's exactly right, but we've got to modify some of the fraudulent practices, predatory lending practices. I put in a bill a year and a half ago to make that happen because it does affect communities, including my own on the South Side of Chicago.

But unless we are able to rid the influence of special interest lobbies in Washington, we're going to continue to see bad legislation like that. And that's why we're going to have to change how politics is done in Washington.

Now, we have an immediate problem. I met with a number of folks up in Reno, just two days ago, who are already seeing their homes being foreclosed upon.

One of the things that we have to do is we have to release people who are in bankruptcy as a consequence of health care. We've got to give them a break. One woman who I was with -- her husband is a police officer. He contracted cancer, went through chemotherapy, ends up being hit by a car while on -- in the line of duty, and they fall three, four months behind on their health care payments, and that's it. They can't make the payments on their house. We've got to provide them some relief.

We've -- I've put forward a \$10 billion housing fund that can help bridge people who have been responsible in making their payments. They're not speculators, they're not trying to flip properties, they're in their own homes. We've got to make sure that they can get the kinds of help that they need to stay in their homes and make the payments and live out the American dream that is so important to so many people.

MR. WILLIAMS: Time is up, Senator. We're going to get some more e-mail questions from Natalie Morales.

MS. MORALES: All right. And this one is directed to Senator Obama. It comes from a resident of Miami, Florida. "As a middle-class retiree whose primary source of income is dividends, capital gains from stock investments, what, if any, safeguards would you put in place to protect us from your proposed reversal of the Bush tax cuts on these investment vehicles?"

And then if we need additional stimulation, we should look at tax rebates for middle class and working families, not for the wealthy, who have already done very well under George Bush.

MR. WILLIAMS: Two bits of housekeeping at this point. I've been asked to remind our candidates that we have a system of lights that they can plainly see. The yellow one starts flashing -- (laughter) -- the yellow one starts flashing when they're starting to run out of time, and the red one starts flashing when they are out of time. And another reminder that only seven feet separates us from the candidates. (Laughter.)

Now to that segment we promised earlier. We asked the candidates and their campaigns to come here tonight prepared with two questions, one for each of their opposition candidates. It's not our intention that these be novelty or at all throwaway questions, but that they be real questions. And we should know right away here whether this was a good or a very bad idea. (Laughter.)

Senator Edwards, I would like to start with you. A question for Senator Obama and a question for Senator Clinton.

MR. EDWARDS: I get to do both to begin with?

MR. WILLIAMS: Sure.

MR. EDWARDS: (Laughs.) Okay.

Well, let me start this question. This is about campaign finances. And let me start it by saying the obvious, which is, all three of us have raised a great deal of money in this campaign, so this is not preachy or holier-than-thou in any possible way.

What we know is that all three of us want to do something about health care in this country. We also know that until recently, Senator Clinton had raised more money from drug companies and insurance companies than any candidate, Democrat or Republican, until you passed her, Senator Obama, recently to go to number one.

My question is, do you think these people expect something for this money?

Why do they give it? Do they think that it's for good government? Why do they do it?

SEN. OBAMA: Well, let's be clear, John. I just want to make sure that we understand. I don't take money from federal lobbyists. I don't take money from PACs.

MR. EDWARDS: As I don't either.

SEN. OBAMA: As you don't either.

What happens is, is that you've got -- if you've got a mid-level executive at a drug company or insurance company who is inspired by my message of change, and they send me money, then that's recorded as money from the drug or the insurance industry, even though it's not organized, coordinated or in any way subject to the problems that you see when lobbyists are given money. But

-- and I'm proud of the fact that I've raised more money from small donors than anybody else, and that we're getting 25, 50, \$100 donations, and we've done very well doing it that way.

Now, what I'm also proud of is the fact that in reducing special interest lobbying, I alone of the candidates here have actually taken away the power of lobbyists. Part of the reason that you know who's bundling money for various candidates is because of a law I passed this year which says, lobbyists, if you are taking money from anybody and putting it together and then giving it to a member of Congress, that has to be disclosed. Ultimately what I'd like to see is a system of public financing of campaigns, and I'm a cosponsor of the proposal that's in the Senate right now.

That's what we have to fight for.

In the meantime, what I'm very proud of is to make sure that we continue to make progress at the federal level to push back the influence that lobbyists have right now. And that's something that I'm going to continue to work on.

MR. WILLIAMS: Now, I've been told in midstream here, Senator Edwards, I have to take away one of your options. We were -- we apparently told the campaigns bring one question for an opponent, which now brings us to you, Senator Clinton.

SEN. CLINTON: (Chuckles.)

MR. WILLIAMS: So you get your choice on, either side.

SEN. CLINTON: Well, I -- I want to ask Senator Obama to join me in doing something. You know, we both very much want to convince President Bush -- which is not easy to do -- in the remaining year to end the war in Iraq, to change direction.

It appears that not only is he refusing to do that, but that he has continued to say he can enter into an agreement with the Iraqi government, without bringing it for approval to the United States Congress, that would continue America's presence in Iraq long after President Bush leaves office. I find that absolutely unacceptable, and I think we have to do everything we can to prevent President Bush from binding the hands of the next president.

So I have introduced legislation that clearly requires President Bush to come to the United States Congress -- it is not enough, as he claims, to go to the Iraqi parliament -- but to come to the United States Congress to get anything that he's trying to do, including permanent bases, numbers of troops, all the other commitments he's talking about as he's traveling in that region.

And I -- I want to ask, Senator Obama, if you will cosponsor my legislation to try to rein in President Bush so that he doesn't commit this country to his policy in Iraq, which both of us are committed to end.

SEN. OBAMA: Well, I think, you know, we -- we can work on this, Hillary, because I -- I don't think -- (laughter) -- you know, the -- we got unity in the Democratic Party, I hope, on this.

The notion that President Bush could somehow tie the hands of the next president I think is contrary to how our democracy's supposed to work, and the voices of the American people who spoke out in 2006 and I expect will speak out again in 2008.

I have opposed this war consistently. I have put forward a plan that will get our troops out by the end of 2009. And we already saw today reports that the Iraqi minister suggests that we're going to be in there at least until 2018. 2018, 10 years -- a decade-long commitment. Currently, we are spending nine (billion dollars) to \$10 billion a month. And the notion is that we are going to sustain that at the same time as we're neglecting what we see happening in Afghanistan right now, where you have a luxury hotel in Kabul that was blown up by militants and the situation continues to worsen.

My first job as president of the United States is going to be to call in the Joint Chiefs of Staff and say, "You've got a new mission," and that is to responsibly, carefully, but deliberately start to phase out our involvement there and to make sure that we are putting the onus on the Iraqi government to come together and do what they need to do to arrive at peace.

WILLIAMS: If I could just interrupt, here, before I give you your question -- would the other two of you join in the 2009 pledge that Senator Obama has made, concerning the withdrawal of American troops?

CLINTON: Oh, yes, I'm on record as saying exactly that, as soon as I become president, we will start withdrawing within 60 days. We will move as carefully and responsibly as we can, one to two brigades a month, I believe, and we'll have nearly all the troops out by the end of the year, I hope.

WILLIAMS: Senator Edwards?

EDWARDS: I think I've actually, among the three of us, been the most aggressive and said that I will have all combat troops out in the first year that I'm president of the United States. I will end combat missions. And while I'm president, there will be no permanent military bases in Iraq.

RUSSELL: In September, we were in New Hampshire together, and I asked the three of you if you would pledge to have all troops out of Iraq by the end of your first term.

All three of you said, you will not take that pledge. I'm hearing something much different tonight.

OBAMA: No, no, no. There's nothing different, Tim.

(LAUGHTER)

I want to make sure...

(LAUGHTER)

OBAMA: No, no. I think this is important because it was reported as if we were suggesting that we would continue the war until 2013. Your question was, could I guarantee all troops would be out of Iraq. I have been very specific in saying that we will not have permanent bases there. I will end the war as we understand it in combat missions.

But that we are going to have to protect our embassy. We're going to have to protect our civilians. We're engaged in humanitarian activity there. We are going to have to have some presence that allows us to strike if Al Qaida is creating bases inside of Iraq.

So I cannot guarantee that we're not going to have a strategic interest that I have to carry out as commander-in-chief to maintain some troop presence there, but it is not going to be engaged in a war and it will not be this sort of permanent bases and permanent military occupation that George Bush seems to be intent on.

CLINTON: It's not only George Bush.

CLINTON: I just want to add here...

RUSSET: But you both will have a presence?

CLINTON: Well, I think that what Barack is what John and I also meant at that same time, because, obviously, we have to be responsible, we have to protect our embassy, we do need to make sure that, you know, our strategic interests are taken care of.

But it's not only George Bush. The Republican candidates running for the presidency are saying things that are very much in line with president Bush.

You know, Senator McCain said the other day that we might have troops there for 100 years, Barack.

I mean, they have an entirely different view than we do about what we need to have happening as soon as we get a Democrat elected president.

RUSSET: Thirty seconds for Senator Edwards.

EDWARDS: I just want to say, it is dishonest to suggest that you're not going to have troops there to protect the embassy. That's just not the truth.

It may be great political theater and political rhetoric, but it's not the truth.

EDWARDS: There is, however, a difference between us on this issue. And I don't think it's subtle. The difference is, I will have all combat troops out in the first year that I'm president, and there will

be no further combat missions, and there will be no permanent military bases.

WILLIAMS: Senator Obama.

OBAMA: I just want to pick up on what John said, because we've had this discussion before. John, are you saying that you're -- I don't know if I'm using my question here, but...

WILLIAMS: I think you are.

OBAMA: Well, I've got to be careful, then.

(LAUGHTER)

Instead of phrasing it that way...

(LAUGHTER)

WILLIAMS: Oh, no, no, no, no.

OBAMA: Let me...

WILLIAMS: That sounded like the start of a question to me.

(LAUGHTER)

OBAMA: Look, I think it's important to understand that either you are willing to say that you may go after terrorist bases inside of Iraq if they should form, in which case there would potentially be a combat aspect to that, obviously, or you're not.

OBAMA: And, you know, if you're not, then that could present some problems in terms of the long-term safety and security of the United States of America. So I just wanted to make sure that we got that clarification. EDWARDS: Is that a question?

WILLIAMS: Yes, I think we've ruled it a question.

EDWARDS: My answer to that is, as long as you keep combat troops in Iraq, you continue the occupation. If you keep military bases in Iraq, you're continuing the occupation. The occupation must end. As respects Al Qaida, public enemy number one, they're responsible for about 10 percent of the violence inside Iraq according to the reports.

I would keep a quick reaction force in Kuwait in case it became necessary, but that is different, Barack, than keeping troops stationed inside.

OBAMA: John...

EDWARDS: Excuse -- let me finish, please.

OBAMA: I'm sorry.

EDWARDS: That is different than keeping troops stationed inside Iraq, because keeping troops stationed inside Iraq -- combat troops -- and continuing combat missions, whether it's against Al Qaida or anyone else, at least from my perspective, is a continuation of the occupation. And I think a continuation of the occupation continues the problem, not just in reality, but in perception that America's occupying the country.

OBAMA: Let me suggest, I think there's a distinction without a difference here. If it is appropriate for us to keep that strike force outside of Iraq, then that obviously would be preferable.

The point is, at some point you might have that capacity, and that's the -- that's the clarification I want to make sure...

WILLIAMS: Having come close to settling that, we're going to take another one of our breaks.

When we come back, we'll get to some more domestic issues, when we continue live from Las Vegas.

(COMMERCIAL BREAK)

WILLIAMS: And we are back, live, in Las Vegas. We promised going into the break that we would return with a discussion on domestic issues.

WILLIAMS: This is of a type -- and just before the break, we got onto things military. We're going to start this off with a continuation of the questioning by Tim Russert.

RUSSERT: Senator Clinton, I'll start with you. The volunteer Army, many believe, disproportionate in terms of poor and minority who participate in our armed forces.

There's a federal statute on the books which says that, if a college or university does not provide space for military recruiters or provide a ROTC program for its students, it can lose its federal funding.

Will you vigorously enforce that statute?

CLINTON: Yes, I will. You know, I think that the young men and women who voluntarily join our all-volunteer military are among the best of our country.

I want to do everything I can, as president, to make sure that they get the resources and the help that they deserve. I want a new, 21st-century G.I. Bill of Rights so that our young veterans can get the money to get to college and to buy a home and start a business.

And I've worked very hard, on the Senate Armed Services Committee, to, you know, try to make up for some of the negligence that we've seen from the Bush administration.

You know, Tim, the Bush administration sends mixed messages. They want to recruit and retain these young people to serve our country and then they have the Pentagon trying to take away the signing bonuses when a soldier gets wounded and ends up in the hospital, something that I'm working with a Republican senator to try to make sure never can happen again.

CLINTON: So I think we should recognize that national service of all kinds is honorable and its essential to the future of our country. I want to expand civilian national service.

But I think that everyone should make available an opportunity for a young man or woman to be in ROTC, to be able to join the military and I'm going to do everything I can to support the men and women in the military and their families.

RUSSERT: Of the top 10 rated schools, Harvard, Yale, Columbia, Stanford, they do not have ROTC programs on campus.

Should they?

CLINTON: Well, there are ways they can work out fulfilling that obligation. But they should certainly not do anything that either undermines or disrespects the young men and women who wish to pursue a military career.

RUSSERT: Senator Obama, same question.

Will you vigorously enforce a statute which says colleges must allow military recruiters on campus and provide ROTC programs?

OBAMA: Yes. One of the striking things, as you travel around the country, you go into rural communities and you see how disproportionately they are carrying the load in this war in Iraq, as well as Afghanistan.

OBAMA: And it is not fair. Now, the volunteer Army, I think, is a way for us to maintain excellence. And if we are deploying our military wisely, then a voluntary army is sufficient, although I would call for an increase in our force structure, particularly around the Army and the Marines, because I think that we've got to put an end to people going on three, four, five tours of duty and the strain on families is enormous. I meet them every day.

But I think that the obligation to serve exists for everybody, and that's why I've put forward a national service program that is tied to my tuition credit for students who want to go to college. You get \$4000 every year to help you go to college.

In return, you have to engage in some form of national service. Military service has to be an option.

OBAMA: We have to have civilian options as well. Not just the Peace Corps, but one of the things that we need desperately are people who are in our foreign service who are speaking foreign

languages can be more effective in a lot of the work that's going to be require that may not be hand-to-hand combat but is going to be just as critical in ensuring our long-term safety and security.

RUSSERT: This statute's been on the books for some time, Senator. Will you vigorously enforce the statute to cut off federal funding to the school that does not provide military recruiters and a ROTC program?

EDWARDS: Yes, I will. But I have to say, it's not enough to talk about the extraordinary service of men and women who are wearing the uniform and have worn the uniform of the United States of America. Tonight across this country, 200,000 men and women who wore our uniform and served this country patriotically, veterans, will go to sleep under bridges and on grates. We have men and women coming back from Iraq with PTSD, post-traumatic stress disorder, other kind of emotional problems; many with serious physical injuries.

EDWARDS: We have families who are here at home, while they serve in Iraq, who are having a terrible time paying for child care, paying the bills. We have reservists and members of the Guard who go to serve and get paid 50 cents, 60 cents on the dollar for what they were making in their civilian jobs.

What are we going to do about this? Every man and woman who comes back from Iraq or Afghanistan deserves to have a thorough comprehensive evaluation of their medical needs, including mental health needs and physical health needs. Every one of them ought to get job training if they need it, and additional education if they need it.

We, America, you know, we should help them find a job. They didn't leave us on our own, we shouldn't leave them on their own. And we need to narrow this gap between civilian pay and military pay, and help these families with their child care.

And then finally, for all the veterans who have served this country, we need a guaranteed stream of funding for the Veterans Administration so we don't have veterans waiting six months or a year to get the health care that they deserve.

WILLIAMS: Let's go...

CLINTON: This is...

OBAMA: There just one thing that I wanted to...

WILLIAMS: Go ahead, Senator Obama.

Thirty seconds each, Senator Obama and Clinton.

OBAMA: Very briefly, because I think this shows you how this administration has failed when it

comes to our veterans.

I went to Walter Reed to talk to the wounded warriors who had come back to discover that they were still paying for their meals and their phone calls while in Walter Reed, while rehabbing, which I could not believe. And I was able to gain the cooperation of a Republican- controlled Senate at the time and pass a bill that would eliminate that.

But that indicates the callousness with which we are often treating our veterans. That has to stop.

WILLIAMS: Well, I think that we have to do everything necessary to help these returning veterans get the health care and the support that they need.

And this new signature wound called traumatic brain injury is something that I am really upset about, because we've only begun to recognize it and diagnose it.

CLINTON: And, John, I was able to pass legislation to begin to provide the physical and mental evaluations so that we could begin to treat this.

And, you know, we have 1,200 people in Nevada who sign up to join the military every year. They're now going to be getting these exams because we've got to track what happens to young men and women when they go into the military, then provide the services for them.

WILLIAMS: We have to, at this point, turn a bit more local.

And let's talk for a moment about Yucca Mountain.

As sure as there's somebody at a roulette table not far from here convinced that they're one bet away from winning it all back, every person who comes here running for president promises to end the notion of storing nuclear waste at Yucca Mountain.

And the people of Nevada have found it's easier to promise to end it than it is to end it.

Anyone willing to pledge here tonight, beginning with you Senator Obama, to kill the notion of Yucca Mountain?

OBAMA: I will end the notion of Yucca Mountain because it has not been based on the sort of sound science that can assure the people in Nevada that they're going to be safe. And that, I think, was a mistake.

Now, you hate to see billions of dollars having already been spent on a mistake, but what I don't want to do is spend additional billions of dollars and potentially create a situation that is not safe for the people of Nevada. So I've already -- I've been clear from the start that Yucca, I think, was a misconceived project. We are going to have to figure out how are we storing nuclear waste.

And what I want to do is to get the best experts around the table and make a determination: What are our options based on the best science available? And I think there's a solution that can be had that's good for the country but also good for the people of Nevada.

WILLIAMS: Thirty seconds each, Senators Clinton and Edwards.

CLINTON: Well, I voted against Yucca Mountain in 2001. I have been consistently against Yucca Mountain. I held a hearing in the Environment Committee, the first that we've had in some time, looking at all the reasons why Yucca Mountain is not workable. The science does not support it. We do have to figure out what to do with nuclear waste.

You know, Barack has one of his biggest supporters in terms of funding, the Exelon Corporation (NYSE:EXC), which has spent millions of dollars trying to make Yucca Mountain the waste depository. John was in favor of it twice when he voted to override President Clinton's veto and then voted for it again.

I have consistently and persistently been against Yucca Mountain, and I will make sure it does not come into effect when I'm president.

WILLIAMS: Your rebuttal to the...

OBAMA: Well, I think it's a testimony to my commitment and opposition to Yucca Mountain that despite the fact that my state has more nuclear power plants than any other state in the country, I've never supported Yucca Mountain. So I just want to make that clear.

' WILLIAMS: Senator Edwards?

EDWARDS: Well, I'm opposed to Yucca Mountain. I will end it for all the reasons that have already been discussed, because of the science that's been discovered, because apparently some forgery of documents that's also been discovered -- all of which has happened in recent years.

EDWARDS: But I want to go to one other subject on which the three of us differ. And that is the issue of nuclear power.

I've heard Senator Obama say he's open to the possibility of additional nuclear power plants. Senator Clinton said at a debate earlier, standing beside me, that she was agnostic on the subject.

I am not for it or agnostic. I am against building more nuclear power plants, because I do not think we have a safe way to dispose of the waste. I think they're dangerous, they're great terrorist targets and they're extraordinarily expensive.

They are not, in my judgment, the way to green this -- to get us off our dependence on oil.

WILLIAMS: Tim Russert?

CLINTON: Well, John, you did vote for Yucca Mountain twice, and you didn't respond to that part of the question.

EDWARDS: I did respond to it. I said the science that has been revealed since that time and the forged documents that have been revealed since that time have made it very -- this has been for years, Hillary. This didn't start last year or three years ago. I've said this for years now -- have revealed that this thing does not make sense, is not good for the people of Nevada, and it's not good for America.

Which, by the way, is also why I am opposed to building more nuclear power plants.

RUSSETT: I want to pick up on that.

Senator Obama, a difference in this campaign: You voted for the energy bill in July of 2005; Senator Clinton voted against it.

That energy bill was described by numerous publications, quote, "The big winner: nuclear power." The secretary of energy said this would begin a nuclear renaissance.

We haven't built a nuclear power plant in this country for 30 years. There are now 17 companies that are planning to build 29 plants based on many of the protections that were provided in that bill, and incentives for licensee construction operating cost.

Did you realize, when you were voting for that energy bill, that it was going to create such a renaissance of nuclear power?

OBAMA: Well, the reason I voted for it was because it was the single largest investment in clean energy (NASDAQ:CLNE) -- solar, wind, biodiesel -- that we had ever seen. And I think it is -- we talked about this earlier -- if we are going to deal with our dependence on foreign oil, then we're going to have to ramp up how we're producing energy here in the United States.

Now, with respect to nuclear energy, what I have said is that if we could figure out a way to provide a cost-efficient, safe way to produce nuclear energy, and we knew how to store it effectively, then we should pursue it because what we don't want is to produce more greenhouse gases. And I believe that climate change is one of the top priorities that the next president has to pursue.

Now, if we cannot solve those problem, then absolutely, John, we shouldn't build more plants. But part of what I want to do is to create a menu of energy options, and let's see where the science and the technology and the entrepreneurship of the American people take us.

OBAMA: That's why I want to set up a cap and trade system. We're going to cap greenhouse gases. We're going to say to every polluter that's sending greenhouse gases in the atmosphere, "We're going to charge you a dollar -- we're going to charge you money for every unit of greenhouse gas

that you send out there." That will create a market. It will generate billions of dollars that we can invest in clean technology.

And if nuclear energy can't meet the rigors of the marketplace -- if it's not efficient and if we don't solve those problems -- then that's off the table. And I hope that we can find an energy mix that's going to deliver us from the kinds of problems that we have right now.

RUSSET: Senator Clinton?

CLINTON: Well, Tim, I think it's well accepted that the 2005 energy bill was the Dick Cheney lobbyist energy bill. It was written by lobbyists. It was championed by Dick Cheney. It wasn't just the green light that it gave to more nuclear power. It had enormous giveaways to the oil and gas industries.

CLINTON: It was the wrong policy for America. It was so heavily tilted toward the special interests that many of us, at the time, said, you know, that's not going to move us on the path we need, which is toward clean, renewable green energy.

I think that we have to, you know, break the lock of the special interests. That's why I've proposed a strategic energy fund (TSX:SEF.UN) (TSX:SEF'R) , \$50 billion to invest in clean, renewable energy.

How would I do that? Take the tax subsidies that were given in the 2005 that Dick Cheney wrote; take them away from the gas and oil industry. They don't need our tax dollars to make these enormous profits.

Let's put to work the money that we should get from the oil and gas industry, in terms of windfall profits taxes, so that we can begin to really put big dollars behind this shift toward clean, renewable, green energy.

It's not going to happen by hoping for it. And these small, you know, pieces of puzzle that are starting to take shape around the country are not sufficient for us to break our addiction to foreign oil.

CLINTON: So that 2005 energy bill was big step backwards on the path to clean, renewable energy. That's why I voted against it. That's why I'm standing for the proposition -- let's take away the giveaways that were given to gas and oil, put them to work on solar and wind and geothermal and biofuels and all the rest that we need for a new energy future.

RUSSET: Senator Edwards, you say you're against nuclear power.

But a reality check: I talked to the folks at the MIT Energy Initiative, and they put it this way, that in 2050, the world's population is going to go from six billion to nine billion, that CO2 is going to double, that you could build a nuclear power plant one per week and it wouldn't meet the world's

needs.

Something must be done, and it cannot be done just with wind or solar.

EDWARDS: Well, yes, there are a lot of things that need to be done.

EDWARDS: If you were to double the number of nuclear power plants on the planet tomorrow -- if that were possible -- it would deal with about one-seventh of the greenhouse gas problem. This is not the answer.

It goes beyond wind and solar. We ought to be investing in cellulose-based biofuels. There are a whole range of things that we ought to be investing in and focusing on.

I want to come back to something Senator Clinton said a minute ago. I agree with her and Senator Obama that it's very important to break this iron grip that the gas and oil industry has on our energy policy in this country.

But I believe, Senator Clinton, you've raised more money from those people than any candidate, Democrat or Republican. I think we have to be able to take those people on if we're going to actually change our policy.

Now, what we need in my judgment is we need a cap on carbon emissions. That cap needs to come down every year. We need an 80 percent reduction in our carbon emissions by the year 2050. Below the cap, we ought to make the polluters pay.

EDWARDS: That money ought to be invested in all these clean renewable sources of energy: wind, solar, cellulose-based biofuels. As I said earlier, I'm opposed to building more nuclear power plants.

But I'd go another step that at least I haven't heard these two candidates talk about. They can answer for themselves. I believe we need a moratorium on the building of any more coal-fired power plants unless and until we have the ability to capture and sequester the carbon in the ground.

Because every time we build a new coal-fired power plant in America when we don't have that technology attached to it, what happens is, we're making a terrible situation worse. We're already the worst polluter on the planet. America needs to be leading by example.

WILLIAMS: Rebuttal time to both senators, 30 seconds, please. Senator Clinton.

CLINTON: Well, I have a comprehensive energy plan that I have put forth. It does not rely on nuclear power for all of the reasons that we've discussed. I have said we should not be siting any more coal-powered plants unless they can have the most modern, clean technology. And I want big demonstration projects to figure out how we would capture and sequester carbon.

But you know, this is going to take a massive effort. This should be our Apollo moon shot.

CLINTON: This is where a president needs to come in and say, "We can do this, America. You know, we can make this change." We've got to do it by having a partnership with what needs to happen in Washington, but there's work for everybody to do -- the states, communities and individuals.

That's what I want to summon the country to achieve, and I think we can make it.

WILLIAMS: Senator Obama?

OBAMA: Well, I think that one thing that we haven't talked as much about that we need to is reducing the consumption of energy. We are inefficient, and oftentimes during the presidential campaign, people have asked, what do we expect out of the American people in bringing about real change.

This is an example of where ordinary citizens have to make a change. We are going to have to make our buildings more efficient. We're going to have to make our lighting more efficient. We're going to have to make our appliances more efficient. That is actually the low-hanging fruit if we're going to deal with climate change. That's the thing that we can do most rapidly.

And there's no reason why, with the kind of presidential leadership that I intend to provide, that we can't make drastic cuts in the amount of energy that we consume without any drop in our standard of living.

WILLIAMS: Senator Edwards, in touching on immigration here, let's go to something that a lot of people have found to be a disconnect between the Democratic Party and majorities of voters in a lot of states.

What would be the problem with English as an official language, as a bedrock requirement of citizenship?

EDWARDS: Well, at least from my perspective, what we need to be doing is we need comprehensive immigration reform. We need to create a path for citizenship for 11 million to 14 million who are here who are undocumented. We need to give them a real chance to earn -- I'm not for amnesty, but I am for being able to earn American citizenship.

WILLIAMS: But what about speaking the language?

EDWARDS: I'm about to get to that.

I think that a couple of the requirements, in order to be able to earn American citizenship, are, first, if you came here illegally, we can't pretend it didn't happen. We are a country of laws and we believe in enforcement of those laws. So we have to show recognition of having violated the law, and that means payment of a fine.

EDWARDS: Second, I think if you want to become an American citizen and earn American

citizenship, you should learn to speak English.

Now, I think that we should help with that process. We should help make sure that those who are living here, and they're not English-speaking as their first language, get a chance to actually learn English.

But I think that should be a requirement for becoming an American citizen.

WILLIAMS: Tim Russert?

RUSSERT: Senator Clinton, one of your pollsters was quoted in The New Yorker magazine as saying this: "The Hispanic voter has not shown a lot of willingness or affinity to support black candidates."

Does that represent the view of your campaign?

CLINTON: No, he was making a historical statement. And, obviously, what we're trying to do is to bring America together so that everybody feels like they're involved and they have a stake in the future.

This is a black/brown debate. We haven't actually talked about black/brown issues -- I regret that. And I think that we have a lot that we can do together.

You know, Tavis Smiley's "Covenant" is a great way to start.

CLINTON: There's a lot that we should be doing. I've worked with many of the Latino groups, over many years. We've got work on education and health care.

The agenda for America is the agenda for African-Americans and for Hispanics. And we need to merge that and we need to have a political system where people feel like they can vote for anybody because we're all on the same page; we're all going to make progress together.

But I wanted to follow up, quickly, on something that...

RUSSERT: Let me ask Senator Obama. Do you believe there's a history of a decision, where Latino voters will not vote for a black candidate?

OBAMA: Not in Illinois. They all voted for me. And so...

(LAUGHTER)

(APPLAUSE)

You know, if this is being asked in the context of my candidacy, one of the things that I know is that, when Latino voters know of my commitment to them and the work that I've done for years, then they gravitate toward my candidacy.

We were talking earlier about immigration reform.

OBAMA: I think that John and myself and Hillary may agree on the broad outlines of where we need to go, but two years ago I stood with Ted Kennedy and John McCain and took on this tough issue, and have consistently been involved in making sure that we've got the kind of comprehensive plan that makes us a nation of laws and a nation of immigrants.

That's the kind of leadership that I've shown. And when Latino voters read or hear about that leadership, then they know that they're going to have an advocate even if it's politically tough.

And I think that's, you know, that's the real test of leadership -- not when it's easy, not when the things poll well, but how you do when you've got a contentious issue like how we solve this immigration problem. That's an area where I've consistently stepped up.

WILLIAMS: Time is up. E-mail question, Natalie Morales.

MORALES: This one is to Senator Obama. This comes to us from one of our co-sponsors of tonight's debate, the 100 Black Men of America.

MORALES: They ask, "To what do you attribute the disproportionately high dropout of black males at every level in our educational process, and what would you do to stem the tide of black men exiting the educational system?"

OBAMA: Well, I think it's similar to the reason that Latinos have such a high dropout rate. What you see consistently are children at a very early age are starting school already behind.

And that's why I've said that I'm going to put billions of dollars into early childhood education that makes sure that our African-American youth, Latino youth, poor youth of every race, are getting the kind of help that they need so that they know their numbers, their colors, their letters.

Every dollar that we spend in early childhood education, we get \$10 back in reduced dropout rates, improved reading scores. That's the kind of commitment we have to make early on.

OBAMA: We've got to improve K through 12. And that means not just talking about how great teachers are but rewarding them for their greatness by giving them higher salaries and giving them more support and professional development; and making sure that No Child Left Behind is not a tool to punish people, and we're not just basing how we fund our schools on a standardized test.

We need after-school programs and summer-school programs because minority youth and poor youth are less likely to get the kind of environment and supplemental activities that they need.

But let's be clear: We have good answers for how to make these schools work. What we don't have is a sense of urgency in the White House.

And, you know, I was raised by a single mom and my grandparents. I did not get money and privilege when I was young. But I did get a good education. And we've got to have that attitude for every single child in America.

And that also means -- last point I'll make, because sometimes this doesn't get talked enough about. We have to have our parents take their jobs seriously, and particularly African-American fathers who all too often are absent from the home, have not encouraged the kind of, you know, nurturing of our children that they need.

OBAMA: And as somebody who grew up without a father, I know how important that is. That is something that, as president, I intend to talk about.

The schools can't do it all by themselves. Parents have to parent.

WILLIAMS: Time up.

Time Tim Russert?

RUSSERT: We arrived in...

CLINTON: Could we just follow up on this? Tim, could we just follow up on this?

Because, you know, again, this is a black/brown debate, and this is one of the most important issues. And I really commend Barack for, you know, taking on the full range.

You know, this has to start in the families. This is what I've done for 35 years. We've got to do more to give families the tools and the support that they should have so that they can be the best parents. You know, they are a child's first teachers.

And I want to commend the 100 Black Men, because I worked with the 100 Black Men in New York to help create the Eagle Academy, a high school for young African-American and Latino men.

CLINTON: And the 100 Black Men in New York said they would mentor these young men.

We also need more involvement from the community. It's not only the family; it's not only the school system. We all have a role to play. And that's going to be one of our highest priorities.

WILLIAMS: Senator Edwards, 30 seconds.

EDWARDS: Thank you.

We need universal pre-K. Barack spoke about early childhood education. We need universal pre-K for every 4-year-old in America. And we ought to go earlier than that with child care, nutrition needs, health care needs.

We also have a huge dropout rate. We have high schools that are essentially dropout factories. We have to create second chance schools. We have to create opportunities of those young people to be -- even though a lot of them do, he's right, start to drop out from a very young age, we need to get them on the right track. But once they're in high school, if they drop out, these second chance schools have been remarkably successful in getting them back into school.

WILLIAMS: Now, Tim Russert?

RUSSERT: We arrived in Nevada, the headline in Nevada Appeal newspaper: Nevada leads in gun deaths.

RUSSERT: The leading cause for death among young black men is guns -- death, homicide. Mayor Bloomberg of New York, you all know him, he and 250 mayors have started the campaign, Mayors Against Illegal Guns.

Senator Clinton, when you ran for the Senate in 2000, you said that everyone who wishes to purchase a gun should have a license, and that every handgun sale or transfer should be registered in a national registry. Will you try to implement such a plan?

CLINTON: Well, I am against illegal guns, and illegal guns are the cause of so much death and injury in our country. I also am a political realist and I understand that the political winds are very powerful against doing enough to try to get guns off the street, get them out of the hands of young people.

The law in New York was as you state, and the law in New York has worked to a great extent.

CLINTON: I don't want the federal government preempting states and cities like New York that have very specific problems.

So here's what I would do. We need to have a registry that really works with good information about people who are felons, people who have been committed to mental institutions like the man in Virginia Tech who caused so much death and havoc. We need to make sure that that information is in a timely manner, both collected and presented.

We do need to crack down on illegal gun dealers. This is something that I would like to see more of.

And we need to enforce the laws that we have on the books. I would also work to reinstate the assault weapons ban. We now have, once again, police deaths going up around the country, and in large measure because bad guys now have assault weapons again. We stopped it for awhile. Now they're back on the streets.

So there are steps we need to take that we should do together. You know, I believe in the Second Amendment. People have a right to bear arms. But I also believe that we can common-sensically

approach this.

RUSSERT: But you've backed off a national licensing registration plan?

CLINTON: Yes.

RUSSERT: Senator Obama, when you were in the state senate, you talked about licensing and registering gun owners. Would you do that as president?

OBAMA: I don't think that we can get that done. But what I do think we can do is to provide just some common-sense enforcement. One good example -- this is consistently blocked -- the efforts by law enforcement to obtain the information required to trace back guns that have been used in crimes to unscrupulous gun dealers.

That's not something that the NRA has allowed to get through Congress. And, as president, I intend to make it happen.

But here's the broader context that I think is important for us to remember. We essentially have two realities, when it comes to guns, in this country. You've got the tradition of lawful gun ownership, that all of us saw, as we travel around rural parts of the country.

And it is very important for many Americans to be able to hunt, fish, take their kids out, teach them how to shoot.

And then you've got the reality of 34 Chicago public school students who get shot down on the streets of Chicago.

We can reconcile those two realities by making sure the Second Amendment is respected and that people are able to lawfully own guns, but that we also start cracking down on the kinds of abuses of firearms that we see on the streets.

RUSSERT: Senator Edwards, Democrats used to be out front for registration and licensing of guns. It now appears that there's a recognition that it's hard to win a national election with that position. Is that fair?

EDWARDS: I think that's fair, but I haven't changed my position on this. I'm against it. Having grown up where I did in the rural South, everyone around me had guns, everyone hunted. And I think it is enormously important to protect people's Second Amendment rights.

I don't believe that means you need an AK-47 to hunt. And I think the assault weapons ban, which Hillary spoke about just a minute ago, as president of the United States I'll do everything in my power to reinstate it. But I do think we need a president who understands the sportsmen, hunters who use their guns for lawful purposes have a right to have their Second Amendment rights looked after.

WILLIAMS: Our third and final break is upon us. Our final segment of our live debate here in Las Vegas when we come back.

(APPLAUSE)

(COMMERCIAL BREAK)

WILLIAMS: We're back in Los Angeles for our final segment of our live debate coverage.

(LAUGHTER)

WILLIAMS: Did I...

RUSSERT: Las Vegas.

(LAUGHTER)

WILLIAMS: All right. OK. Wow, it is a tough crowd. It is a tough crowd.

(LAUGHTER)

And I'm up \$130 from last night, which is OK. I owe the city of Las Vegas my thanks.

We're back in Las Vegas tonight with our live debate coverage.

Thanks for saving me on that, Tim.

(LAUGHTER)

Question for Senator Clinton. In 2006, you railed against Karl Rove and the Republicans for playing what you called the fear card.

But on the eve of the New Hampshire primary, you said this: "I don't think it was by accident that al Qaeda decided to test the new prime minister, Gordon Brown, immediately. They watch our elections as closely as we do, maybe more than some of our fellow citizens do. They play our, you know, allies. They do everything they can to undermine security in the world. So let's not forget you're hiring a president, not just to do what a candidate says he or she wants to do in an election. You're hiring a president to be there when the chips were down."

You were suggesting, it's been suggested that you would be a better president to deal with a possible terrorist attack than, perhaps, Senator Obama.

CLINTON: Well, what I said is what you quoted, and I'm not going to characterize it, but it is the fact. You know, the fact is that we face a very dangerous adversary, and to forget that or to brush it aside, I think, is a mistake.

So I do feel that the next president has to be prepared because we are up against a relentless enemy. And they will take advantage of us. They will certainly, as they have over the last several years, continue their attacks against our friends and allies around the world.

You know, we haven't talked as much about homeland security as I think is necessary in this campaign. Maybe I feel it acutely because I do represent New York.

CLINTON: But the highest and greatest duty of the president of the United States is to protect and defend our country. And at the end of the day, voters have to make that decision, among all of us, Democrats and Republicans, who are vying for the votes.

Because it is a critical question. It always is. There are, you know, reasons going back in our history why that is so.

But in this time, in this period, where we're going to have to repair a lot of the frayed relationships coming out of the Bush administration, where we're going to have to summon the world to a concerted effort to quell the threat of terrorism, to root them out wherever they are, it's going to be one of the biggest jobs facing our next president.

And I feel prepared and ready to take on what is a daunting but necessary responsibility.

WILLIAMS: Senator Obama, if you look just outside where we are tonight, they're building 40,000 new hotel rooms in this city. National security is never far from their minds in Las Vegas, either.

You are fond of saying you won't use 9/11 as a kind of hook.

WILLIAMS: Do you think some of that goes on in both parties?

OBAMA: Well, I think there's no doubt that we've been dominated by a politics of fear since 9/11. Now, some of that's understandable. We have real enemies out there. The tragedy in New York was a trauma to the country that it is going to take a long time for us to work out.

And Senator Clinton did good work in terms of helping the city recover. But I have to say that when Senator Clinton uses the specter of a terrorist attack with a new prime minister during a campaign, I think that is part and parcel with what we've seen the use of the fear of terrorism in scoring political points. And I think that's a mistake. Now, I don't want to perpetuate that.

OBAMA: I think that's part of why we ended up going into Iraq and made a big strategic error that has made us less safe. Resources that could have been spent on homeland security have been spent in Baghdad. Resources that could have been spent hunting down bin Laden have been diverted to Iraq.

And that's what happens when your judgment is clouded. And what I intend to do as president of the United States is to be honest and straightforward with the American people about how I'm

going to implement all the 9/11 Commission report findings, make sure that we are hunting down bin Laden, getting out of Iraq so that we can refocus our attention on building the networks and alliances that are required to reduce terrorism around the world.

That's going to be my priority, and that's part of the reason I'm running for president of the United States.

RUSSERT: Senator Clinton, I just want to make sure, you're not suggesting that Al Qaida would test a President Obama before they'd test a President Clinton?

CLINTON: No, of course not, Tim. But it is a fact that immediately upon taking office the new prime minister in Great Britain, Gordon Brown, confronted, thankfully, two failed attacks by Al Qaida -- people who had gone and been trained in the training camps in Pakistan, who got their directions from Al Qaida operatives, who launched two massive bomb efforts in London and in Glasgow.

CLINTON: They didn't know how to ignite the bombs they had set, but they rammed their cars into the airport in Glasgow.

Part of the reason why it matters who's president, in terms of operating the government and the bureaucracy, is because we have a very constant need for vigilance and preparedness.

There is no time off for the president on issues of security here at home, or around the world.

And I think that there's a difference between what President Bush had done, which has, frankly, used fear as a political weapon and a recognition, in a very calm and deliberative way, that, yes, we have real enemies and we'd better be prepared and we'd better be ready to meet them on day one.

RUSSERT: Senator Edwards, on the conduct of foreign policy, after Benazir Bhutto was assassinated, you made a phone call to General Musharraf in Pakistan. He called you back quickly.

Close to half the people in Pakistan believe the government of Musharraf or allies were involved in the assassination of Miss Bhutto.

EDWARDS: Yes.

RUSSERT: Was it appropriate for you to talk to Musharraf at that time, perhaps give him cover at a time when he needed legitimacy?

EDWARDS: It was absolutely appropriate, and I didn't actually speak -- place a call to President Musharraf. I placed a call to the Pakistani ambassador in the United States and told him that I knew Musharraf, we had met in Islamabad years ago and talked about some of the problems in Pakistan at that time and that I had some things I wanted to say to him.

Now, the things I had to say to him were tough. And they were exactly the things that the president

of the United States should say to a President Musharraf under these circumstances.

First, I said to him, you have to continue on the march to democratization in South Pakistan. Benazir Bhutto, who I was with in Abu Dhabi in the Middle East just a few years ago, I heard her talk about the path to democratization being baptized in blood in Pakistan. She put her life at risk for that path to democratization.

What I said to Musharraf is: You have to stay on that path. Now, he said he would. That needs to be taken with great cynicism and a huge grain of salt, given his history.

Second, I said you must allow international investigators in to determine what happened, because no one is going to trust some internal investigation that you conduct. Actually, they have now allowed Scotland Yard investigators into Pakistan to at least conduct some investigation.

And then, third, I said these elections that are scheduled have to take place as soon as possible, but they need to be real. They have to be open, fair. The opposition parties need to be represented. They have to be secure.

And those are the points I wanted to make to him. And those are exactly the points I would make to him as president of the United States.

WILLIAMS: We promised this audience we would read a particularly thoughtful e-mail. And we're going off the air in a matter of minutes, so we're going to truly enforce the time limits.

Thirty seconds from all of you to answer the following from Jim Milton of California: "Given the decision to run for president in the first place has to be and should be one of the most important and memorable decision-making moments any American can make, tell us when you made that decision." Senator Clinton?

CLINTON: I made it over New Year's this past year. And I made it because I believe our country has to have a new beginning. Tomorrow in Reno, I'll be having an economic town hall, the first of a series of town halls to address, specifically, the economic anxieties, insecurities and problems that Americans have, to come up with solutions.

You know, we've got to get back in the solutions business in America. I want to be the problem-solver who lifts our sights and sets our goals.

And a year ago, I made the decision that I would get into this presidential race. And it's been the most amazing and extraordinary year of my life. And I thank everyone for making that happen.

WILLIAMS: Senator Edwards?

EDWARDS: It was December, a little over a year ago; made the decision with my family. And the discussion was, what is the cause of our lives -- with my wife, Elizabeth -- and what is it we want to

spend our time doing, to serve this country we love so much?

And the cause of my life is the middle class, low-income families, and having everybody in America have the kind of chances and opportunity that I've had.

And that is what my campaign is about. It is central to everything I do. And it is personal to what I'll do as president of the United States.

WILLIAMS: Senator Obama?

OBAMA: It was December of '06 while I was on vacation with my wife and kids.

And, you know, I asked myself two big questions: Number one, could my family survive the rigors of a presidential campaign, since I've got two young children?

And because my wife is extraordinary and my children are above average, I figured they could manage it.

(LAUGHTER)

But the most important question was not at whether I could win the presidency, but whether I should.

Was there something that I could provide this country, in terms of leadership, that would be -- that I could do more effectively than any other candidate?

And I concluded I could bring the country together, break out of some the old arguments, make sure that we are speaking honestly with the American people, bringing them in to the process of change.

WILLIAMS: Senator, thank you.

And, at this point, that concludes tonight's debate.

END

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