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Clark: Well, Senators, through this economic crisis, most of the people that I know have had a difficult time And through this bailout package, I was wondering what it is that's going to actually help those people out

McCain: Well, thank you, Oliver, and that's an excellent question because as you just described it, bailout, when I believe that it's rescue, because – because of the greed and excess in Washington and Wall Street, Main Street was paying a very heavy price, and we know that I left my campaign and suspended it to go back to Washington to make sure that there were additional protections for the taxpayer in the form of good oversight, in the form of taxpayers being the first to be paid back when our economy recovers – and it will recover – and a number of other measures But you know, one of the real catalysts, really the match that lit this fire was Fannie Mae and Freddie Mac I'll bet you, you may never even have heard of them before this crisis But you know, they're the ones that, with the encouragement of Sen. Obama and his cronies and his friends in Washington, that went out and made all these risky loans, gave them to people that could never afford to pay back And you know, there were some of us that stood up two years ago and said we've got to enact legislation to fix this We've got to stop this greed and excess Meanwhile, the Democrats in the Senate and some – and some members of Congress defended what Fannie and Freddie were doing They resisted any change Meanwhile, they were getting all kinds of money in campaign contributions Sen Obama was the second highest recipient of Fannie Mae and Freddie Mac money in history – in history So this rescue package means that we will stabilize markets, we will shore up these institutions But it's not enough That's why we're going to have to go out into the housing market and we're going to have to buy up these bad loans and we're going to have to stabilize home values, and that way, Americans, like Alan, can realize the American dream and stay in their home But Fannie and Freddie were the catalysts, the match that started this forest fire There were some of us – there were some of us that stood up against it There were others who took a hike

Brokaw: Sen Obama?

Obama: Well, Oliver, first, let me tell you what's in the rescue package for you Right now, the credit markets are frozen up and what that means, as a practical matter, is that small businesses and some large businesses just can't get loans If they can't get a loan, that means that they can't make payroll If they can't make payroll, then they may end up having to shut their doors and lay people off And if you imagine just one company trying to deal with that, now imagine a million companies all across the country So it could end up having an adverse effect on everybody, and that's why we had to take action But we shouldn't have been there in the first place Now, I've got to correct a little bit of Sen McCain's history, not surprisingly Let's, first of all, understand that the biggest problem in this whole process was the deregulation of the financial system Sen McCain, as recently as March, bragged about the fact that he is a deregulator On the other hand, two years ago, I said that we've got a sub-prime lending crisis that has to be dealt with I wrote to Secretary Paulson, I wrote to Federal Reserve Chairman [Ben] Bernanke, and told them this is something we have to deal with, and nobody did anything about it A year ago, I went to Wall Street and said we've got to reregulate, and nothing happened And Sen McCain during that period said that we should keep on deregulating because that's how the free enterprise system works Now, with respect to Fannie Mae, what Sen McCain didn't mention is the fact that this bill

that he talked about wasn't his own bill He jumped on it a year after it had been introduced and it never got passed And I never promoted Fannie Mae In fact, Sen McCain's campaign chairman's firm was a lobbyist on behalf of Fannie Mae, not me So – but, look, you're not interested in hearing politicians pointing fingers What you're interested in is trying to figure out, how is this going to impact you? This is not the end of the process; this is the beginning of the process And that's why it's going to be so important for us to work with homeowners to make sure that they can stay in their homes The secretary already has the power to do that in the rescue package, but it hasn't been exercised yet And the next president has to make sure that the next Treasury secretary is thinking about how to strengthen you as a home buyer, you as a homeowner, and not simply think about bailing out banks on Wall Street

Brokaw: Sen Obama, time for a discussion I'm going to begin with you Are you saying to MrClark (ph) and to the other members of the American television audience that the American economy is going to get much worse before it gets better and they ought to be prepared for that?

Obama: No, I am confident about the American economy But we are going to have to have some leadership from Washington that not only sets out much better regulations for the financial system The problem is we still have a archaic, 20th-century regulatory system for 21st-century financial markets We're going to have to coordinate with other countries to make sure that whatever actions we take work But most importantly, we're going to have to help ordinary families be able to stay in their homes, make sure that they can pay their bills, deal with critical issues like health care and energy, and we're going to have to change the culture in Washington so that lobbyists and special interests aren't driving the process and your voices aren't being drowned out

Brokaw: Sen McCain, in all candor, do you think the economy is going to get worse before it gets better?

McCain: I think it depends on what we do I think if we act effectively, if we stabilize the housing market – which I believe we can, if we go out and buy up these bad loans, so that people can have a new mortgage at the new value of their home – I think if we get rid of the cronyism and special interest influence in Washington so we can act more effectively My friend, I'd like you to see the letter that a group of senators and I wrote warning exactly of this crisis Sen Obama's name was not on that letter The point is – the point is that we can fix our economy Americans' workers are the best in the world They're the fundamental aspect of America's economy They're the most innovative They're the best – they're most – have best – we're the best exporters We're the best importers They're most effective They are the best workers in the world And we've got to give them a chance They've got – we've got to give them a chance to do their best again And they are the innocent bystanders here in what is the biggest financial crisis and challenge of our time We can do it

Brokaw: Thank you, Sen McCain We're going to continue over in Section F, as it turns out Sen Obama, this is a question from you from Teresa Finch Teresa?