

Set 1: congress, night, littl, control, program, industri, interest, run

Set 2: mistak, serious, tri, wrong, mayb, charact, seem, disagre

Set 3: administr, action, vice, discrimin, upon, subject, feel, strong

Set 4: bank, financi, crisi, mortgag, street, home, regul, wall

MODERATOR All right, the next question goes to Governor Clinton, and Gene Gibbons will ask it. Gene? Governor, an important aspect of leadership is, of course, anticipating problems. During the 1988 campaign there was little or no mention of the savings and loan crisis that has cost the American people billions and billions of dollars. Now there are rumblings that a commercial bank crisis is on the horizon. Is there such a problem, sir? If so, how bad is it and what will it cost to clean it up?

BILL CLINTON Gene, there is a problem in the sense that there are some problem banks, and on December 19th new regulations will go into effect which will in effect give the government the responsibility to close some banks that are not technically insolvent but that are plainly in trouble. On the other hand, I don't think that we have any reason to believe that the dimensions of this crisis are anywhere near as great as the savings and loan crisis. The mistake that both parties made in Washington with the S&L business was deregulating them without proper capital requirements, proper oversight and regulation, proper training of the executives. Many people predicted what happened, and it was a disaster. The banking system in this country is fundamentally sound with some weak banks. I think that our goal ought to be first of all not to politicize it, not to frighten people; secondly to say that we have to enforce the law in 2 ways. We don't want to overreact, as the federal regulators have in my judgment, on good banks so that they've created credit crunches, that is, they have made our recession worse in the last couple of years — but we do want to act prudently with the banks that are in trouble. We also want to say that insofar as is humanly possible the banking industry itself should pay for the cost of any bank failures; the taxpayers should not. And that will be my policy. And I believe if we have a good balanced approach, we can get the good banks loaning money again, end the credit crunch, have proper regulation on the ones that are in trouble, and not overreact. It is a serious problem, but I don't see it as the kind of terrible, terrible problem that the S&L problem was.

MODERATOR President Bush, one minute.

GEORGE H. W. BUSH Well, I don't believe it would be appropriate for a president to suggest that the banking system is not sound. It is sound. There are some problem banks out there. But what we need is financial reform; we need some real financial reform, banking reform legislation. And I have proposed that. And when I am re-elected, I believe one of the first things ought to be to press a new Congress not beholden to the old ways to pass financial reform legislation that modernizes the banking system, doesn't put a lot of inhibitions on it, and protects the depositors through keeping the FDIC sound. But I think that — I just was watching some of the proceedings of the American Bankers Assn, and I think the general feeling is most of the banks are sound, certainly there's no comparison here between what happened to the S&Ls and where the banks stand right now, in my view.

MODERATOR Mr. Perot, 1 minute.

ROSS PEROT Well, nobodys gotten into the real issue yet on the savings and loan again — nobodys got a business background, I guess. The whole problem came up in 1984. The president of the US was told officially it was a \$20- billion problem. These crooks — now, Willie Sutton would have gone to own a savings and loan rather than rob banks, because he robbed banks because thats where the money is; owning a savings and loan is where the money was. Now, in 1984 they were told. I believe the vice president was in charge of deregulation. Nobody touched that tar baby till the day after election in 1988 because they were flooding both parties with crooked PAC money, and it was in many cases stolen PAC money. Now, you and I never got a ride on a lot of these yachts and fancy things it bought, but you and I are paying for it. And they buried it till right after the election. Now, if you believe The Washington Post and you believe this extensive study thats been done — and Im reading it — right after election day this year theyre going to hit us with a hundred banks, it will be a \$100- billion problem. Now, if thats true, just tell me now. Im grownup, I can deal with it, Ill pay my share. But just tell me now; dont bury until after the election twice. I say that to both political parties. The people deserve that since we have to pick up the tab; you got the PAC money, well pay the tab. Just tell us.