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Senator Obama, as we begin, very quickly, our discussion period, President Bush, you'll remember, last summer, said that 'Wall Street got drunk.' A lot of people now look back and think the federal government got drunk and, in fact, the American consumers got drunk. How would you, as president, try to break those bad habits of too much debt and too much easy credit, specifically, across the board, for this country, not just at the federal level, but as a model for the rest of the country, as well?

Obama: Well, I think it starts with Washington. Well, you know what? There's easy money out there. It means – and I have to, again, repeat this. It means looking (ph) at the spending side, but also at the revenue side. I mean, Sen McCain has been talking tough about earmarks, and that's good, but earmarks account for about \$18 billion of our budget. Now, when Sen McCain is proposing tax cuts that would give the average Fortune 500 CEO an additional \$700,000 in tax cuts, that's not sharing a burden. And so part of the problem, I think, for a lot of people who are listening here tonight is they don't feel as if they are sharing the burden with other folks. I mean, you know, it's tough to ask a teacher who's making \$30,000 or \$35,000 a year to tighten her belt when people who are making much more than her are living pretty high on the hog. And that's why I think it's important for the president to set a tone that says all of us are going to contribute, all of us are going to make sacrifices, and it means that, yes, we may have to cut some spending, although I disagree with Sen McCain about an across-the-board freeze. That's an example of an unfair burden sharing. That's using a hatchet to cut the federal budget. I want to use a scalpel so that people who need help are getting help and those of us, like myself and Sen McCain, who don't need help, aren't getting it. That's how we make sure that everybody is willing to make a few sacrifices.

Brokaw: Sen McCain?

McCain: Well, you know, nailing down Sen. Obama's various tax proposals is like nailing Jell-O to the wall. There has been five or six of them and if you wait long enough, there will probably be another one. But he wants to raise taxes. My friends, the last president to raise taxes during tough economic times was Herbert Hoover, and he practiced protectionism as well, which I'm sure we'll get to at some point. You know, last year up to this time, we've lost 700,000 jobs in America. The only bright spot is that over 300,000 jobs have been created by small businesses. Sen Obama's secret that you don't know is that his tax increases will increase taxes on 50 percent of small business revenue. Small businesses across America will have to cut jobs and will have their taxes increase and won't be able to hire because of Sen Obama's tax policies. You know, he said some time ago, he said he would forgo his tax increases if the economy was bad. I've got some news, Sen Obama, the news is bad. So let's not raise anybody's taxes, my friends, and make it be very clear to you I am not in favor of tax cuts for the wealthy. I am in favor of leaving the tax rates alone and reducing the tax burden on middle-income Americans by doubling your tax exemption for every child from \$3,500 to \$7,000. To giving every American a \$5,000 refundable tax credit and go out and get the health insurance you want rather than mandates and fines for small businesses, as Sen Obama's plan calls for. And let's create jobs and let's get our economy going again. And let's not raise anybody's taxes.

Brokaw: Sen Obama, we have another question from the Internet.

Obama: Tom, can I respond to this briefly? Because

Brokaw: Well, look, guys, the rules were established by the two campaigns, we worked very hard on this This will address, I think, the next question

Obama: The tax issue, because I think it's very important Go ahead

Brokaw: There are lots of issues that we are going to be dealing with here tonight And we have a question from Langdon (ph) in Ballston Spa, New York, and that's about huge unfunded obligations for Social Security, Medicare, and other entitlement programs that will soon eat up all of the revenue that's in place and then go into a deficit position Since the rules are pretty loose here, I'm going to add my own to this one Instead of having a discussion, let me ask you as a coda to that Would you give Congress a date certain to reform Social Security and Medicare within two years after you take office? Because in a bipartisan way, everyone agrees, that's a big ticking time bomb that will eat us up maybe even more than the mortgage crisis