

## Transcript of Thursday's Democratic presidential debate

This is the transcript from Thursday night's Democratic presidential debate between Sens. Hillary Clinton and Barack Obama sponsored by CNN, The Los Angeles Times and Politico.

**LOS ANGELES, California (CNN)** -- WOLF BLITZER, CNN: Let's begin with Senator Obama.

SEN. BARACK OBAMA, D-ILLINOIS: Wolf, thank you.

(APPLAUSE)

Thank you. Thank you.

First of all, first of all, I want to acknowledge a candidate who left the race this week, John Edwards, who did such an outstanding job...

(APPLAUSE)

... elevating the issues of poverty and the plight of working families all across the country. And we wish him and Elizabeth well. He's going to be a voice for this party and for this country for many years to come.

I also want to note something that you noted at the beginning, which is that, when we started off, we had eight candidates on this stage. We now are down to two after 17 debates.

And, you know, it is a testimony to the Democratic Party and it is a testimony to this country that we have the opportunity to make history, because I think one of us two will end up being the next president of the United States of America.

(APPLAUSE)

And I also want to note that I was friends with Hillary Clinton before we started this campaign; I will be friends with Hillary Clinton after this campaign is over.

(APPLAUSE)

She has done -- she's run a -- we're running a competitive race, but it's because we both love this country, and we believe deeply in the issues that are at stake.

I believe we're at a defining moment in our history. Our nation is at war; our planet is in peril. Families all across the country are struggling with everything from back-breaking health care costs to trying to stay in their homes.

And at this moment, the question is: How do we take the country in a new direction? How do we get past the divisions that have prevented us from solving these problems year after year after year?

I don't think the choice is between black and white or it's about gender or religion. I don't think it's about young or old. I think what is at stake right now is whether we are looking backwards or we are looking forwards. I think it is the past versus the future.

BLITZER: Thank you, Senator.

[OBAMA](#): And just to finish up, Wolf. And I think that, as we move forward in this debate, understand we are both Democrats and we understand the issues at stake. We want change from George Bush.

But we also have to have change that brings the country together, pushes back against the special interests in Washington, and levels with the American people about the difficult changes that we make. If we do that, I am confident that we can solve any problem and we can fulfill the destiny that America wants to see, not just next year, but in many years to come.

(APPLAUSE)

BLITZER: Senator Clinton?

SEN. HILLARY [CLINTON](#), D-NEW YORK: Well, on January 20, 2009, the next president of the United States will be sworn in on the steps of the Capitol. I, as a Democrat, fervently hope you are looking at that next president. Either Barack or I will raise our hand and swear to uphold the Constitution of the United States.

CLINTON: And then, when the celebrations are over, the next president will walk into the Oval Office, and waiting there will be a stack of problems, problems inherited from a failed administration: a war to end in Iraq and a war to resolve in Afghanistan; an economy that is not working for the vast majority of Americans, but well for the wealthy and the well-connected; tens of millions of people either without health insurance at all or with insurance that doesn't amount to much, because it won't pay what your doctor or your hospital need...

(APPLAUSE)

... an energy crisis that we fail to act on at our peril; global warming, which the United States must lead in trying to contend with and reverse; and then all of the problems that we know about and the ones we can't yet predict.

It is imperative that we have a president, starting on day one, who can begin to solve our problems, tackle these challenges, and seize the opportunities that I think await.

I'm very grateful for the extraordinary service of John and Elizabeth Edwards.

CLINTON: And among the many contributions that they have made, both by their personal example of courage and leadership, is their reminder that in this land of such plenty and blessings, there are still 37 million Americans who are living below the poverty line and many others barely hanging on above.

So what we have to do tonight is to have a discussion about what each of us believes are the priorities and the goals for America. I think it's imperative we have a problem-solver, that we roll up our sleeves.

I'm offering that kind of approach, because I think that Americans are ready once again to know that there isn't anything we can't do if we put our minds to it.

So let's have that conversation.

(APPLAUSE)

BLITZER: Thank you. Thank you, Senator.

The first question will go to Doyle.

DOYLE MCMANUS, L.A. TIMES: Senator Clinton, your two campaigns have been going on for more than a year now and it's clear that the two of you have had different experiences in your lives. You have different styles.

But when most voters look at the two of you, they don't see a lot of daylight between you on policy.

So what I'd like to ask is: what do you consider the most important policy distinction between the two of you?

CLINTON: Well, I want to start by saying that whatever differences there are among us, between us now, it's hard to forget between -- we keep talking about all those who aren't here.

But the differences between Barack and I pale in comparison to the differences that we have with Republicans, and I want to say that first and foremost, because it's really...

(APPLAUSE)

... a stark difference. But we do have differences and let me mention a couple. First, on health care. I believe absolutely passionately that we must have universal health care. It is a moral responsibility and a right for our country, and...

(APPLAUSE)

... and I have put forth a plan similar to what Senator Edwards had before he left the race that would move us to universal health care.

Secondly, I think it's imperative that we approach this mortgage crisis with the seriousness that it is presenting. There are 95,000 homes in foreclosure in California right now. I want a moratorium on foreclosures for 90 days so we can try to work out keeping people in their homes instead of having them lose their homes, and I want to freeze interest rates for five years.

I think when it comes to how we approach foreign affairs, in particular, I believe that we've got to be realistic and optimistic, but we start with realism in the sense that we do have serious threats, we do have those who are, unfortunately and tragically, plotting against us, posing dangers to us and our friends and our allies.

And I think that we've got to have a full diplomatic effort, but I don't think the president should put the prestige of the presidency on the line in the first year to have meetings with out preconditions with five of the worst dictators in the world.

So we have differences both at home and around the world, but, again, I would emphasize that what really is important here, because the Republicans were in California debating yesterday, they are more of the same.

Neither of us, just by looking at us, you can tell, we are not more of the same. We will change our

country.

(APPLAUSE)

BLITZER: We heard Senator Clinton, Senator Obama, define some of the differences on policy issues she sees between the two of you.

What do you see as the most significant policy differences between the two of you?

OBAMA: Well, I actually think that a couple of the ones that Hillary mentioned are genuine policy differences that are worthy of debate.

Let's take health care. About 95 percent of our plans are similar. We both set up a government plan that would allow people who otherwise don't have health insurance because of a preexisting condition, like my mother had, or at least what the insurance said was a preexisting condition, let them get health insurance.

We both want to emphasize prevention, because we've got to do something about ever escalating costs and we don't want children, who I meet all the time, going to emergency rooms for treatable illnesses like asthma.

It is true we've got a policy difference, because my view is that the reason people don't have health care, and I meet them all the time, in South Carolina, a mother whose child has cerebral palsy and could not get insurance for and started crying during a town hall meeting, and Hillary, I'm sure, has had the same experiences.

What they're struggling with is they can't afford the health care. And so I emphasize reducing costs. My belief is that if we make it affordable, if we provide subsidies to those who can't afford it, they will buy it.

Senator Clinton has a different approach. She believes that we have to force people who don't have health insurance to buy it. Otherwise, there will be a lot of people who don't get it.

OBAMA: I don't see those folks. And I think that it is important for us to recognize that if, in fact, you are going to mandate the purchase of insurance and it's not affordable, then there's going to have to be some enforcement mechanism that the government uses. And they may charge people who already don't have health care fines, or have to take it out of their paychecks. And that, I don't think, is helping those without health insurance. That is a genuine difference.

On the mortgage crisis...

(APPLAUSE)

On the mortgage crisis, again, we both believe that this is a critical problem. It's a huge problem in California and all across the country. And we agree that we have to keep people in their homes.

I have put forward a \$10 billion home foreclosure prevention fund that would help to bridge the lender and the borrower so that people can stay in their homes.

I have not signed on to the notion of an interest rates freeze, and the reason is not because we need to protect the banks. The problem is, is that if we have such a freeze, mortgage interest rates will go up across the board and you will have a lot of people who are currently trying to get

mortgages who will actually have more of a difficult time.

So, some of the people that we want to protect could end up being hurt by such a plan.

Now, keep in mind, the one thing I suspect that Senator Clinton and I agree on. Part of the reason we are in this mortgage mess is because there's been complete lack of oversight on the part of the Bush administration.

(APPLAUSE)

The mortgage lending industry spent \$185 billion -- \$185 million lobbying to prevent provisions that go against predatory lending, for example, that I introduced.

Which brings me to another difference. I believe that it is very important for us to reduce the influence of lobbyists and special interests in Washington.

(APPLAUSE)

I think that a lot of issues that both Senator Clinton and I care about will not move forward unless we have increased the kinds of ethics proposal that I passed just last year -- some of the toughest since Watergate -- and that's something that John Edwards and I both talked about repeatedly in this campaign. That's why I don't take federal PAC and federal lobbyist money. That is a difference.

And the last point I'll make is on Iraq. Senator Clinton brought this up.

I was opposed to Iraq from the start.

(APPLAUSE)

And that -- and I say that not just to look backwards, but also to look forwards, because I think what the next president has to show is the kind of judgment that will ensure that we are using our military power wisely.

It is true that I want to elevate diplomacy so that it is part of our arsenal to serve the American people's interests and to keep us safe.

And I have disagreed with Senator Clinton on, for example, meeting with Iran. I think, and the national intelligence estimate, the last report suggested that if we are meeting with them, talking to them, and offering them both carrots and sticks, they are more likely to change their behavior. And we can do so in a way that does not ultimately cost billions of dollars, thousands of lives, and hurt our reputation around the world.

BLITZER: Those are three important issues...

(APPLAUSE)

... that you both have defined where there are some differences -- health care, the housing crisis, national security, Iraq, Iran. We're going to go through all of those issues over the course of this debate.

But let's start with health care, because this is a critical issue affecting millions and millions of

Americans. And, Jeanne, you have a question on that.

JEANNE CUMMINGS, POLITICO: You both mentioned that health care is a priority for your party, but the truth is that most Democrats really do want full coverage, everybody covered.

Now, Senator Obama, this is a question for you. Under your plan, which is voluntary, it creates incentives for people to buy, but still is voluntary. There would be around -- about 15 million people who would still not be covered.

Now, why is your plan superior to hers?

OBAMA: Well, understand who we're talking about here. Every expert who looks at it says anybody who wants health care will be able to get health care under my plan. There won't be anybody out there who wants health care who will not be able to get it. That's point number one.

So the estimate is -- this is where the 15 million figure comes in -- is that there are 15 million people who don't want health care. That's the argument.

Now, first of all, I dispute that there are 15 million people out there who don't want it. I believe that there are people who can't afford it, and if we provide them enough subsidies, they will purchase it. Number one.

Number two, I mandate coverage for all children.

Number three, I say that young people, who are the most likely to be healthy but think they are invulnerable -- and decide I don't need health care -- what I'm saying is that insurance companies and my plan as well will allow people up to 25 years old to be covered under their parents' plan.

So, as a consequence, I don't believe that there will be 15 million out there.

OBAMA: Now, under any mandate, you are going to have problems with people who don't end up having health coverage. Massachusetts right now embarked on an experiment where they mandated coverage.

And, by the way, I want to congratulate Governor Schwarzenegger and the speaker and others who have been trying to do this in California, but I know that those who have looked at it understand, you can mandate it, but there's still going to be people who can't afford it. And if they cannot afford it, then the question is, what are you going to do about it?

Are you going to fine them? Are you going to garnish their wages?

You know, those are questions that Senator Clinton has not answered with respect to her plan, but I think we can anticipate that there would also be people potentially who are not covered and are actually hurt if they have a mandate imposed on them.

BLITZER: All right.

Senator Clinton, this is a substantive difference on health care between the two of you. Go ahead and respond.

CLINTON: Well, let me start by saying that this is the passionate cause of my public service.

I started trying to expand health care many years ago, first to children, then to rural areas in Arkansas, and obviously tackled it during my husband's administration. And the reason why I have designed a plan that, number one, tells people, if you have health insurance and you are happy with it, nothing changes, is because we want to maximize choice for people.

So, if you are satisfied, you're not one of the people who will necessarily, at this time, take advantage of what I'm offering. But if you are uninsured or underinsured, we will open the congressional health plan to you.

And contrary to...

(APPLAUSE)

Contrary to the description that Barack just gave, we actually will make it affordable for everyone, because my plan lowers costs aggressively, which is important for us all; improves quality for everyone, which is essential. And the way it covers all of those who wish to participate in the congressional plan is that it will provide subsidies, and it will also cap premiums, something that is really important, because we want to make sure that it is affordable for all.

So, when you draw the distinction that, "Well, it's not affordable, therefore people will have to be made to get it," well, the fact is, it has been designed to be affordable with health care tax credits.

And it's also important to recognize that right now, there are people who could afford health care, and they are not all young, they're people who just don't feel they have to accept that responsibility. There are many states which give families the option of keeping children up until 25 on their policies, but their rates of uninsurance are still very high.

We cannot get to universal health care, which I believe is both a core Democratic value and imperative for our country, if we don't do one of three things. Either you can have a single payer system, or -- which, I know, a lot of people favor, but for many reasons, is difficult to achieve. Or, you can mandate employers. Well, that's also very controversial. Or, you can do what I am proposing, which is to have shared responsibility.

Now, in Barack's plan, he very clearly says he will mandate that parents get health insurance for their children. So it's not that he is against mandatory provisions, it's that he doesn't think it would be politically acceptable to require that for everyone.

I just disagree with that. I think we as Democrats have to be willing to fight for universal health care.

(APPLAUSE)

And what I've concluded, when I was looking at this -- because I got the same kind of advice, which was, it's controversial, you'll run into all of this buzz saw, and I said, been there, done that. But if you don't start by saying, you're going to achieve universal health care, you will be nibbled to death.

And I think it's imperative that, as we move forward in this debate and into the campaign, that we recognize what both John Edwards and I did, that you have to bite this bullet. You have to say, yes, we are going to try to get universal health care. What I have designed makes it affordable, provides premium caps so it's never

(APPLAUSE)

BLITZER: Senator Obama, let me just fine-tune the question, because I know you want to respond.

On this issue of mandates, those who don't, whether it's 10 million or 15 million, those who could afford it but don't wind up buying health insurance for one reason or another, they wind up getting sick, they go to an emergency room, all of us wind up paying for their health care. That's the biggest criticism that's been leveled at your plan.

OBAMA: If people are gaming the system, there are ways we can address that. By, for example, making them pay some of the back premiums for not having gotten it in the first place.

But understand that, number one, Hillary says that she's got enough subsidies. Well, we priced out both our plan and Senator Clinton's plan, and some of the subsidies are not going to be sufficient. Point number one.

OBAMA: Point number two is that I am actually not interested in just capping premiums. I want to lower premiums by about an average of \$2,500 per family per year, because people right now cannot afford it.

I can't tell you how many folks I meet who have premiums that are so high that essentially they don't have health insurance, they have house insurance. What they do is...

(APPLAUSE)

... they have a \$10,000 deductible, or what have you, to try to reduce costs. They never go to a doctor. And that ends up something that we pay for, so I'm trying to reduce premiums for all families.

But the last point I want to make has to do with how we're going to actually get this plan done. You know, Ted Kennedy said that he is confident that we will get universal health care with me as president, and he's been working on it longer than I think about than anybody.

But he's gone through 12 of these plans, and each time they have failed. And part of the reason, I think, that they have failed is we have not been able to bring Democrats, Republicans together to get it done.

(APPLAUSE)

That's what I did in Illinois, to provide insurance for people who did not have it. That's what I will do in bringing all parties together, not negotiating behind closed doors, but bringing all parties together, and broadcasting those negotiations on C-SPAN so that the American people can see what the choices are.

(APPLAUSE)

Because part of what we have to do is enlist the American people in this process. And overcoming the special interests and the lobbyists who -- Senator Clinton is right. They will resist anything that we try to do. My plan, her plan, they will try to resist.

And the antidote to that is making sure that the American people understand what is at stake. I am absolutely committed to making sure that anybody in America who needs health care is going

to get it.

BLITZER: I just want to be precise, and I'll let Senator Clinton respond. But you say broadcast on C-SPAN these deliberations. Is that a swipe at Senator Clinton because...

OBAMA: No, it's not a swipe. This is something that I've been talking about consistently. What I want to do is increase transparency and accountability to offset the power of the special interests and the lobbyists.

(APPLAUSE)

If a drug company -- if the drug companies or a member of Congress who's carrying water for the drug companies wants to argue that we should not negotiate for the cheapest available price on drugs, then I want them to make that argument in front of the American people.

And I will have experts who explain that, in fact, it is legitimate for drug companies to make profits, but they are making outsized profits on the backs of senior citizens who need those prescription drugs. And that is an argument that the American people have to be involved with, otherwise we're not going to get any plan through.

(APPLAUSE)

BLITZER: Senator Clinton, we remember in '93, when you were formulating your health care plan, it was done in secret.

CLINTON: Well, it was an effort to try to begin this conversation, which we're now continuing. It has been a difficult conversation. There have been a lot of efforts.

And I'm proud that one of the efforts I was involved in 10 years ago resulted in the Children's Health Insurance Program. We now have a million children in California...

(APPLAUSE)

... who every month get health insurance because of that bipartisan effort. We obviously are running into the presidential veto and not being able to expand it.

But this issue is so important, and I just want to underscore three really critical points.

First of all, I have said in my plan that we have to regulate the health insurance industry differently. We have to say to them that they can no longer deny coverage to anyone and they have to cover everyone, including every pre-existing condition.

(APPLAUSE)

And they have to compete on cost and quality, instead of the way they compete now, which is to try to cherry-pick people, and only insure the healthy, and make it so costly for people with diabetes or cancer or some other chronic condition.

Secondly, we've got to make it clear to the drug companies that they do deserve to be part of the solution, because we all benefit from the life-saving remedies they come up with, but we pay for it many times over.

It is American taxpayers who pay for the research. It is American taxpayers who pay for a lot of the clinical studies. That's why, while we're looking at getting to universal health care, we also have to give Medicare the right to negotiate with drug companies to get the price down, to begin to rein in those costs across the board.

(APPLAUSE)

And, finally, it is so important that, as Democrats, we carry the banner of universal health care. The health insurance industry is very clever and extremely well-funded.

I know this. I had \$300 million of incoming advertising and attacks during our efforts back in '93 and '94. And one of the reasons why I've designed the plan that I have put forward now is because I learned a lot about what people want, what people are willing to accept, and how we get the political process to work.

CLINTON: And, certainly, it is important that the president come up with the plan, but we'll have to persuade Congress to put all of those deliberations on C-SPAN. Now, I think we might be able to do that, but that's a little heavier lift than what the president is going to propose, because what happens is we have to have a coalition.

And I think the plan that I have proposed is if you take business, which pays the costs and wants to get those costs down, take labor that has to negotiate over health care instead of wages, take doctors, nurses, hospitals who want to get back into the business of taking care of people instead of working for insurance companies, I think we will have a coalition that can withstand the health insurance...

BLITZER: Thank you.

CLINTON: ... and the drug companies.

BLITZER: Thank you, Senator.

CLINTON: And that's what I intend to do.

(APPLAUSE)

BLITZER: All right. The next question, a related question, from Doyle.

MCMANUS: Senator Obama, one other thing both of your health insurance proposals have in common is they would cost billions of dollars in new spending and both of you have proposed raising taxes on a lot on Americans to pay for that and for other proposals.

Well, now, you know what's going to happen this fall in the general election campaign. The Republicans are going to call you "tax-and-spend" liberal Democrats, and that's a charge that's been effective in the past.

How are you going to counter that charge?

OBAMA: Well, first of all, I don't think the Republicans are going to be in a real strong position to argue fiscal responsibility, when they have added \$4 trillion or \$5 trillion...

(APPLAUSE)

... worth of national debt. I am happy to have that argument.

If John McCain, for example, is the nominee, I respect that John McCain, in the first two rounds of Bush tax cuts, said it is irresponsible that we have never before cut taxes at the same time as we're going into war.

And somewhere along the line, the straight talk express lost some wheels and now he is in favor of extending Bush tax cuts that went to some of the wealthiest Americans who don't need them and we're not even asking for them.

So I've already said a sizeable portion of my health care plan will be paid for because we emphasize savings. We invest in prevention.

So that as I said before, the chronically ill that account for 20 percent -- or the 20 percent of chronically ill patients that account for 80 percent of the costs, that they're getting better treatment. We are actually paying for a dietitian for people to lose weight as opposed to paying for the \$30,000 foot amputation. That will save us money.

We can conservatively save...

(APPLAUSE)

... \$100 billion to \$150 billion a year under my plan. That pays for part of it.

Part of it is paid for by rolling back the Bush tax cuts on the top one percent.

Now...

(APPLAUSE)

So my plan is paid for. But one thing that I think we're going to have to do as Democrats when we go after the Republicans is -- the question is not tax cuts, tax hikes. The question is who are the tax cuts for, who are the tax hikes imposed upon.

What we have had right now is a situation where we've cut taxes for people who don't need them. Warren Buffett has said, "You know, I made \$46 million last year. It was a bad year for me. But I can still afford to pay more than my secretary, who has a higher tax rate than I do."

That is not fair and I want to change that.

We've got \$1 trillion worth of corporate tax loopholes and tax havens and I've said I will close those and I will give tax cuts to people making \$75,000 or less by offsetting their payroll tax. Senior citizens making less than \$50,000 a year, we want to eliminate taxes for them.

So the question is can we restore a sense of balance to our economy and make sure that those of us who are blessed and fortunate and have thrived in this economy, in this global economy, that we can afford to pay a little bit more so that that child in east Los Angeles who is in a crumbling school, with teachers that are having to dig into their own pockets for school supplies, that they are having a chance at the American dream, as well.

(APPLAUSE)

I'm happy to have that argument.

BLITZER: Senator Clinton, your health care plan, it is estimated, will cost \$110 billion annually. You want to tax the rich to pay for that, is that what you're saying?

CLINTON: Well, let me say that the way I would pay for this is to take the Bush tax cuts that are set to expire on people making more than \$250,000 a year. That would raise about \$55 billion and I would put that into the subsidies for the health care tax credit, so that people would be able to afford the health care that we are offering.

The other \$55 billion would come from the modernization and the efficiencies that I believe we can obtain. We spend more money than anybody in the world on health care and there is no end in sight.

CLINTON: Yet, we don't get the best results. We don't have the longest life span. We don't have the best infant mortality rates.

We could do so much better. And here are some of the ideas that I have put on the table.

Number one, the Bush administration has given enormous tax giveaways to HMOs and drug companies under the Medicare prescription Part D program, under the HMO program in Medicare. I would rein those in. They are not being earned. They do not produce the results that are supposedly being touted by the Bush administration.

I would also move for electronic medical records, something that I have worked on for nearly five years on a bipartisan basis. Started with Newt Gingrich and Bill Frist. We passed my legislation through the Senate a year ago. Didn't get it through the Republican House. Now we're going to try again in the Democratic Congress.

If we had electronic medical records, according to RAND Corporation -- hardly a bastion of liberal thinking...

(LAUGHTER)

... they have said we would save \$77 billion a year. That money can be put into prevention. It could be put into chronic care management. It can be put into making sure that our health care system has enough access so that if you are in a rural community somewhere in California or somewhere in Tennessee or somewhere in Georgia, you'll have access to health care. If you are in an inner-city area and you see your hospital, like the Drew Medical Center, closed on you, then you are going to have a place once again where you can get health care in the immediate area.

So we can begin to be more effective and more sensible about how we cover everybody, and use the money from the top-end tax cuts and from modernizing the system.

BLITZER: Jeanne has a question on a different subject...

(APPLAUSE)

... but I just want to be precise. When you let -- if you become president, either one of you -- let

the Bush tax cuts lapse, there will be effectively tax increases on millions of Americans.

OBAMA: On wealthy Americans.

CLINTON: That's right.

OBAMA: And look...

BLITZER: And you are willing to go into...

(CROSSTALK)

OBAMA: I'm not bashful about it.

CLINTON: Absolutely. Absolutely.

OBAMA: I suspect a lot of this crowd -- it looks like a pretty well-dressed crowd -- potentially will pay a little bit more. I will pay a little bit more.

But as I said, you know, we have, I believe, a moral obligation to make sure that everybody has the opportunity to get health care in this country.

And one last point I want to make. We will have to make some upfront costs. That's why in either of our plans, you know, if we want to invest in electronic medical records, then we have got to go to rural hospitals who might not be able to afford it and say, we're going to help you buy the computer software and the machinery to make sure that this works.

But that investment will pay huge dividends over the long term, and the place where it will pay the biggest dividends is in Medicare and Medicaid. Because if we can get a healthier population, that is the only way over the long term that we can actually control that spending that is going to break the federal budget.

CLINTON: But Wolf, it's just really important to underscore here that we will go back to the tax rates we had before George Bush became president. And my memory is, people did really well during that time period.

(APPLAUSE)

And they will keep doing really well.

BLITZER: All right, Jeanne?

CUMMINGS: On immigration. The Republicans have had a pretty fierce debate over immigration. And it's now pretty clear that that's going to be an issue for you all, as well, not just in the general, but it's bubbled up in some of the primaries. And it's a divisive issue for you all, as it is for the Republicans. And that was pretty evident when we got a question through Politico.

This is from Kim Millman (ph) from Burnsville, Minnesota. And she says, "there's been no acknowledgement by any of the presidential candidates of the negative economic impact of immigration on the African-American community. How do you propose to address the high unemployment rates and the declining wages in the African-American community that are related

to the flood of immigrant labor?"

Senator Obama, you want to go first on that? And it's for both of you.

OBAMA: Well, let me first of all say that I have worked on the streets of Chicago as an organizer with people who have been laid off from steel plants, black, white, Hispanic, Asian, and, you know, all of them are feeling economically insecure right now, and they have been for many years. Before the latest round of immigrants showed up, you had huge unemployment rates among African-American youth.

And, so, I think to suggest somehow that the problem that we're seeing in inner-city unemployment, for example, is attributable to immigrants, I think, is a case of scapegoating that I do not believe in, I do not subscribe to.

(APPLAUSE)

And this is where we do have a very real difference with the other party.

OBAMA: I believe that we can be a nation of laws and a nation of immigrants.

Now, there is no doubt that we have to get control of our borders. We can't have hundreds of thousands of people coming over to the United States without us having any idea who they are.

I also believe that we do have to crack down on those employers that are taking advantage of the situation, hiring folks who cannot complain about worker conditions, who aren't getting the minimum wage sometimes, or aren't getting overtime. We have to crack down on them. I also believe we have to give a pathway to citizenship after they have paid a fine and learned English, to those who are already here, because if we don't, they will continue to undermine U.S. wages.

But let's understand more broadly that the economic problems that African-Americans are experiencing, whites are experiencing, blacks and Latinos are experiencing in this country are all rooted in the fact that we have had an economy out of balance. We've had tax cuts that went up instead of down. We have had a lack of investment in basic infrastructure in this country. Our education system is chronically underfunded.

(APPLAUSE)

And so, there are a whole host of reasons why we have not been generating the kinds of jobs that we are generating. We should not use immigration as a tactic to divide. Instead, we should pull the country together to get this economy back on track.

That's what I intend to do as president of the United States of America.

(APPLAUSE)

BLITZER: All right.

Senator Clinton, we're going to stay on this subject, but Doyle has a follow-up.

MCMANUS: Senator Clinton, Senator Obama has said that he favors allowing illegal immigrants to obtain drivers' licenses, and you oppose that idea.

Why?

CLINTON: Well, let me start with the original question from Kim, because I think it deserves an answer.

I believe that in many parts of our country, because of employers who exploit undocumented workers and drive down wages, there are job losses. And I think we should be honest about that.

(APPLAUSE)

There are people who have been pushed out of jobs and factories and meat processing plants, and all kinds of settings. And I meet them.

You know, I was in Atlanta last night, and an African-American man said to me, "I used to have a lot of construction jobs, and now it just seems like the only people who get them anymore are people who are here without documentation." So, I know that what we have to do is to bring our country together to have a comprehensive immigration reform solution.

(APPLAUSE)

That is the answer. And it is important that we make clear to Kim and people who are worried about this that that is actually in the best interests of those who are concerned about losing their jobs or already have.

Because if we can tighten our borders, if we can crack down on employer who exploit workers, both those who are undocumented and those who are here as citizens, or legal, if we can do more to help local communities cope with the cost that they often have to contend with, if we do more to help our friends to the south create more jobs for their own people, and if we take what we know to be the realities that we confront -- 12 to 14 million people here, what will we do with them?

Well, I hear the voices from the other side of the aisle. I hear voices on TV and radio. And they are living in some other universe, talking about deporting people, rounding them up.

I don't agree with that, and I don't think it's practical. And therefore, what we've got to do is to say, come out of the shadows. We will register everyone. We will check, because if you have committed a crime in this country or the country you came from, then you will not be able to stay, you will have to be deported.

But for the vast majority of people who are here, we will give you a path to legalization if you meet the following condition: pay a fine because you entered illegally, be willing to pay back taxes over time, try to learn English -- and we have to help you do that, because we've cut back on so many of those services -- and then you wait in line.

That not only is, I think, the best way to approach the problem of our 12 million to 14 million who are here, but that also says to Kim, Kim, this is the best answer, as well, because once we have those conditions met, and people agree, then, they will not be in a labor market that undercuts anybody else's wages.

BLITZER: Senator...

(APPLAUSE)

CLINTON: And therefore, it's imperative we approach it this way, only after people have agreed to these conditions, Doyle, and that they have been willing to say, yes, they will meet those conditions, do I think we ought to talk about privileges like drivers' licenses? Because otherwise, I think you will further undermine the labor market for people like the ones Kim is referring to.

CLINTON: We need to solve this problem, not exacerbate it. And that's what intend to do as president.

(APPLAUSE)

BLITZER: All right. All right, we have a follow-up.

Senator Obama, in an interview with CNN this week, you said this. You said, quote, "I stood up for a humane and intelligent immigration policy in a way that, frankly, none of my other opponents did." What did you mean by that?

OBAMA: Well, what I meant was that, when this issue came up -- not driver's licenses, but comprehensive immigration reform generally -- I worked with Ted Kennedy. I worked with Dick Durbin. I worked with John McCain, although he may not admit it now...

(LAUGHTER)

... to move this issue forward aggressively. And it's a hard political issue. Let's be honest. This is not an issue that polls well. But I think it is the right thing to do.

(APPLAUSE)

And I think we have to show leadership on the issue. And it is important for us, I believe, to recognize that the problems that workers are experiencing generally are not primarily caused by immigration. There is...

BLITZER: Are you suggesting that Senator Clinton's policy was not, in your words, "humane"?

OBAMA: That is -- what I said was that we have to stand up for these issues when it's tough, and that's what I've done.

I did it when I was in the state legislature, sponsoring the Illinois version of the DREAM Act, so that children who were brought here through no fault of their own are able to go to college, because we actually want well-educated kids in our country...

(APPLAUSE)

... who are able to -- who are able to succeed and become part of this economy and part of the American dream.

BLITZER: Was she lacking on that front?

OBAMA: Wolf, you keep on trying to push on this issue.

BLITZER: I'm just trying to find out what you mean.

OBAMA: There are those who were opposed to this issue, and there have been those who have

flipped on the issue and have run away from the issue. This wasn't directed particularly at Senator Clinton. But the fact of the matter is I have stood up consistently on this issue.

On the driver's license issue, I don't actually want -- I don't believe that we're going to have to deal with this if we have comprehensive immigration reform, because, as I said before, people don't come here to drive. They come here to work.

(APPLAUSE)

And if we have signed up them -- if we have registered them, if they have paid a fine, if they are learning English, if they are going to the back of the line, if we fix our legal immigration system, then I believe we will not have this problem of undocumented workers in this country, because people will be able to actually go on a pathway to citizenship.

That, I think, is the right approach for African-Americans; I think it's the right approach for Latinos; I think it's a right approach for white workers here in the United States.

BLITZER: I want to let Senator Clinton respond. But were you missing in action when Senator Obama and Senator McCain and Senator Kennedy started formulating comprehensive immigration reform?

CLINTON: Well, actually, I co-sponsored comprehensive immigration reform in 2004 before Barack came to the Senate.

(APPLAUSE)

So I've been on record on behalf of this for quite some time.

And representing New York, the homeland with the Statue of Liberty, bringing all of our immigrants to our shores, has been not only an extraordinary privilege, but given me the opportunity to speak out on these issues.

When the House of Representatives passed the most mean-spirited provision that said, if you were to give any help whatsoever to someone here illegally, you would commit a crime, I stood up and said that would have criminalized the Good Samaritan and Jesus Christ himself.

I have been on record on this against this kind of demagoguery, this mean-spiritedness.

And, you know, it is something that I take very personally, because I have not only worked on behalf of immigrants; I have been working to make conditions better for many years.

(APPLAUSE)

I was so honored to get the farm workers endorsement last week, because for so many years I have stood with farm workers who do some of the hardest work there is anywhere in our country.

So we may be looking at the immigration reform issue as a political issue, and it certainly has been turned into one by those who I think are undermining the values of America.

It is a serious question. We have to fix this broken system. But let's do it in a practical, realistic approach. Let's bring people together. And I think, as president, I can.

You know, I've been going to town halls all over America, and I see the people out there, thousands of them who come to hear me, and they're nervous about immigration, and for the reasons that the economy isn't working for people.

The average American family has lost \$1,000 in income. They're looking for some explanation as to why this is happening. And they edge or a real amount of anxiety in their voice.

And then I ask them, well, what would you do?

CLINTON: If you want to round up into four people, how many tens of thousands of federal law enforcement officials would that take?"

BLITZER: All right.

CLINTON: And how much authority would they have to be given to knock on every door of every business and every home? I don't think Americans would stand for that.

BLITZER: Senator, Senator...

CLINTON: So we have to get realistic and practical about this.

BLITZER: Very quickly, Senator, why not, then, if you're that passionate about it, let them get driver's licenses?

CLINTON: Well, we disagree on this. I do not think that it is either appropriate to give a driver's license to someone who is here undocumented, putting them, frankly, at risk, because that is clear evidence that they are not here legally, and I believe it is a diversion from what should be the focus at creating a political coalition with the courage to stand up and change the immigration system.

(APPLAUSE)

OBAMA: The only point I would make is Senator Clinton gave a number of different answers over the course of six weeks on this issue, and that did appear political.

Now, at this point, she's got a clearer position, but it took a whole and...

(APPLAUSE)

CLINTON: Well...

OBAMA: I'm just being -- just in fairness. Initially, in a debate, you said you were for it. Then you said you were against it. And the only reason I bring that up is to underscore the fact that this is a difficult political issue.

From my perspective, I agree with Bill Richardson that there is a public safety concern here and that we're better off, because I don't want a bunch of hit-and-run drivers, because they're worried about being deported and so they don't report an accident. That is a judgment all.

(APPLAUSE)

But I do think it is important to recognize that this can be tough and the question is who is going

to tackle this problem and solve it.

Many of the solutions that Senator Clinton just talked about are solutions that I agree with, that I've been working on for many years, and my suspicion is whatever our differences, we're going to have big differences with the Republicans, but I think a practical, common sense solution to the problem is what the American people are looking for.

CLINTON: Well, I just have to correct the record for one second, because, obviously, we do agree about the need to have comprehensive immigration reform.

And if I recall, about a week after I said that I would try to support my governor, although I didn't agree with it personally, you

So this is a difficult issue and both of us have to recognize...

(APPLAUSE)

... that it is not something that we easily come to, because we share a lot of the same values.

OBAMA: I agree.

CLINTON: We want to -- we want to be fair to people. We want to respect the dignity of every human being, every person who is here. But we are trying to work our way through to get to where we need to be and that is to have a united Democratic Party, with fair-minded Republicans who will join us to fix this broken immigration system.

(APPLAUSE)

BLITZER: All right. We're going to talk a lot more about this. We're going to take a quick break. We have a lot more to talk about. You can follow all of the action, by the way, on [cnnpolitics.com](http://cnnpolitics.com) and there's a lively dialogue going on there right now, [cnnpolitics.com](http://cnnpolitics.com).

We'll take a quick break. We'll pick up with two issues, experience and character, and then move on to a lot more right after.

(COMMERCIAL BREAK)

OBAMA: ... Americans disagree.

(APPLAUSE)

And think that we need to move forward with new leadership. So that's why we are having this contest.

You know, I have spent my entire adult life trying to bring about change in this country. I started off as a community organizer, working on the streets of Chicago, providing job training and after-school programs and economic development for neighborhoods that have been devastated by steel plants that had closed.

I worked as a civil rights attorney, turning down lucrative corporate jobs to provide justice for those who had been denied on the job on at the ballot box.

(APPLAUSE)

I worked as a state legislator for years, providing health care to people who did not have it, reforming a death penalty system that was broken, providing tax relief to those who needed it.

And in the United States Senate, I worked on everything from nuclear proliferation to issues of alternative energy.

And in each instance, what I found is that the leadership that's needed is the ability to bring people together, who otherwise don't see anything in common. The ability to overcome the special interests. And I passed both in Washington in Illinois comprehensive ethics reform that opened up government so that the American people could be involved. And talking straight to the American people about how we're going to solve these problems, and putting in the hard work of negotiations to get stuff done.

So I respect Senator Clinton's record. I think it's a terrific record. But I also believe that the skills that I have are the ones that are needed right now to move the country forward.

CLINTON: And I really spent a great deal of my early adulthood, you know, bringing people together to help solve the problems of those who were without a voice and were certainly powerless.

I was honored to be appointed by President Carter to the Legal Services Corporation, which I chaired, and we grew that corporation from 100 million to 300 million. It is the primary vehicle by which people are given access to our courts when they have civil problems that need to be taken care of.

You know, I've run projects that provided aid for prisoners in prisons. I helped to reform the education system in Arkansas and expand rural health care. And I've had a lot of varied experiences, both in the private sector, as well as the public, and the not-for-profit sector.

And certainly during the eight years that I was privileged to be in the White House, I had a great deal of responsibility that was given to me to not only work on domestic issues, like health care -- and when we weren't successful on universal health care, I just turned around and said, well, we're going to get the Children's Health Insurance Program. And I'm so proud we do, because now six million children around the country every month get health care. And I took on the drug companies to make sure that they would test drugs to see if they were safe and effective for our kids.

And began to change the adoption and foster care system. Here in California, because of the Adoption and Safe Families Act, we have three times more children being adopted out of foster care.

(APPLAUSE)

And certainly the work that I was able to do around the world, going to more than 82 countries, negotiating with governments like Macedonia to open their border again, to let Kosovar refugees in. Speaking on behalf of women's rights as human rights in Beijing, to send a message across the world that this is critical of who we are as Americans.

(APPLAUSE)

And to go to the Senate and to begin to work across the party lines with people who honestly

never thought they would work with me. But I believe public service is a trust. And I get up every day trying to make change in people's lives.

And today we have 20,000 National Guard and Reserve members in California who have access to health care because I teamed up with Senator Lindsey Graham of South Carolina to get that done. Really positive change in people's lives, in real ways, that I am very proud of.

(APPLAUSE)

BLITZER: Jeanne Cummings of Politico, go ahead.

CUMMINGS: Well, we've got a question on this that's come in on politico.com, and it echoes, I think, a message that you all might be fighting up against if Mitt Romney turns out to be your opponent come the fall. We've talked about McCain, now we have Romney's strengths to address.

Now, Howard Meyerson (ph) of Pasadena, California, says he views the country as a very large business, and neither one of you have ever run a business. So, why should either of you be elected to be CEO of the country?

CLINTON: Well, I would, with all due respect, say that the United States government is much more than a business. It is a trust.

(APPLAUSE)

It is the most complicated organization. But it is not out to make a profit. It is out to help the American people. It is about to stand up for our values and to do what we should at home and around the world to keep faith with who we are as a country.

And with all due respect, we have a president who basically ran as the CEO, MBA president, and look what we got. I am not too happy about the results.

(APPLAUSE)

OBAMA: Let me -- let me just also point out that, you know, Mitt Romney hasn't gotten a very good return on his investment during this presidential campaign.

(APPLAUSE)

And so, I'm happy to take a look at my management style during the course of this last year and his. I think they compare fairly well.

(APPLAUSE)

BLITZER: Go ahead, Doyle.

MCMANUS: I want to switch to a different theme.

Senator Clinton, this week, as you know, Senator Obama was endorsed by Senator Ted Kennedy and Caroline Kennedy. And they both argued that the country is ready for a new generation of leaders, and they said Barack Obama, like John F. Kennedy in 1960, is that kind of leader.

How do you respond to that?

CLINTON: Well, I have the greatest respect for Senator Kennedy and the Kennedy family. And I'm proud to have three of Senator Robert Kennedy's children, Bobby and Kathleen and Kerry, supporting me. But what I this is...

(APPLAUSE)

What I think is exciting is that the way we are looking at the Democratic field, now down to the two of us is, is we're going to get big change. We're going to have change. I think having the first woman president would be a huge change for America and the world.

(APPLAUSE)

CLINTON: But, of course, despite the enthusiasm of our supporters or our endorsers -- and we're both proud of everyone who has come to be part of our campaign -- this is about the two of us.

You have to, as voters, determine who you think can be the best president, to tackle all those problems on day one, waiting in the Oval Office, who can be the best nominee for the Democratic Party to be able to withstand whatever they decide to do on the other side of the aisle, and come out victorious.

But, ultimately, this is really about the American people. It's about your lives. It's about your jobs, your health care, whether you can afford to send your children to college, whether you'll be able to withstand the pressure of the rising interest rates on a home foreclosure that might come your way, and whether we're going to once again be proud of our country, and our leadership, and our moral authority in the world.

And so I think that, as we look at these upcoming contests -- 22 of them now on Tuesday -- really, every voter should be looking and examining what they want out of the next president.

What are the criteria that you have for determining who you will vote for, what you think our country needs, what you and your family are really looking for? And then you evaluate the two of us, because no one else will be on the ballot.

This is a very exciting and humbling experience, I think I can say for both of us.

BLITZER: All right. Senator...

CLINTON: Neither one of us would have either predicted -- you know, not very long ago -- we would be sitting here. And it is a great tribute to the Democratic Party and to America.

(APPLAUSE)

But now we have to decide who would be the best president.

(APPLAUSE)

BLITZER: Senator Obama, I want you to respond, but also in the context of this. A lot of Democrats remember the eight years of the Clinton administration, a period of relative peace and prosperity, and they remember it fondly.

Are they right? Should they be remembering those eight years with pleasure?

OBAMA: Well, I think there's no doubt that there were good things that happened during those eight years of the Clinton administration. I think that's undeniable.

Look, we're all Democrats. And, particularly, when looked through the lens of the last eight years with George Bush, they look even better.

(LAUGHTER)

So I don't want to diminish some of the accomplishments that occurred during those eight years. And I absolutely agree with Senator Clinton, that ultimately each of us have to be judged on our own merits.

All of us have endorsers, and ultimately you've got to take a look and see: Who do you want in that White House?

I do think that there was something that happened, and we've been seeing it all across the country. We saw it at the event with Senator Kennedy. We are bringing in a whole generation of new voters...

(APPLAUSE)

... which I think is exciting. And part of the task, I believe, of leadership is the hard nuts-and-bolts of getting legislation passed and managing the bureaucracy, but part of it is also being able to call on the American people to reach higher, to say we shouldn't settle for an economy that does very well for some, but leaves millions of people behind.

We should not accept a school in South Carolina that was built in the 1800s, where kids are having to learn in trailers, and every time the railroad goes by the tracks, the building shakes and the teacher has to stop teaching.

We should not accept a foreign policy that has seen our respect diminish around the world and has not made us more safe.

(APPLAUSE)

So the question is -- part of the question is: Who can work the levers of power more effectively? Part of the question is also: Who can inspire the American people to get re-engaged in their government again, push back the special interests, reduce the influence of lobbyists?

And that is something that I have worked on all my life and we are seeing in this campaign. And one of the things I'm thrilled with -- and this is good news for Democrats...

BLITZER: All right.

OBAMA: ... every single election that we've had so far in this contest you've seen the number of people participating in the Democratic primary double.

(APPLAUSE)

Now, that's not all due to me. Senator Clinton is attracting enthusiasm and support, as well. But I

can say, for example, in Iowa, about 60 percent of those new voters voted for me.

And that, I think, changes the electoral map in such a way where we're going to have more people ready to move forward on the agendas that we all agree with. That's part of the leadership I want to provide as president.

BLITZER: We have a follow-up question from Jeanne.

Go ahead, Jeanne.

CUMMINGS: Well, Senator Obama mentioned the generational issue. And when we look at returns and exit polls, there is something going on there. And we've got a question along those lines from Karen Roper (ph) from Pickens, South Carolina.

CUMMINGS: She asks to you: "Senator Clinton, that you have claimed that your presidency would bring change to America. I'm 38 years old and I have never had an opportunity to vote in a presidential election in which a Bush or a Clinton wasn't on the ticket.

"How can you be an agent of change when we have had the same two families in the White House for the last 30 years?"

(APPLAUSE)

CLINTON: Well, as I have often said, I regret deeply that there is a Bush in the White House at the time.

But I think that what's great about our political system is that we are all judged on our own merits. We come forward to the American public and it's the most grueling political process one can imagine.

We start from the same place. Nobody has an advantage no matter who you are or where you came from. You have to raise the money. You have to make the case for yourself.

And I want to be judged on my own merits. I don't want to be advantaged or disadvantaged. I'm very proud of my husband's administration. I think that there were a lot of good things that happened and those good things really changed people's lives.

The trajectory of change during those eight years went from deficits and debt to a balanced budget and a surplus, all those 22 million new jobs and the...

(APPLAUSE)

... and the hopefulness that people brought with them. And, you know, it did take a Clinton to clean after the first Bush and I think it might take another one to clean up after the second Bush.

(APPLAUSE)

BLITZER: All right, Senators, stand by. We're going to take another quick break. We have a lot more to go through. Remember, you can go to [cnnpolitics.com](http://cnnpolitics.com) and you can monitor what's going on. There's a lively discussion going on at [cnnpolitics.com](http://cnnpolitics.com) right now.

We'll take a short break. Much more of this Democratic presidential debate right after this.

(COMMERCIAL BREAK)

BLITZER: We're at the Kodak Theatre here in Los Angeles. Thousands of people are outside, Hillary Clinton supporters, Barack Obama supporters. We're continuing this presidential debate right now.

The next question goes to Doyle McManus.

MCMANUS: A question about the issue of Iraq.

Senator Clinton, you've both called for a gradual withdrawal of combat troops from Iraq, but Senator Obama says he wants all combat troops out within 16 months of his inauguration and you haven't offered a specific end date.

Why shouldn't voters worry that your position could turn into an open-ended commitment?

CLINTON: Well, because, Doyle, I've been very clear in saying that I will begin to withdraw troops in 60 days. I believe that it will take me one to two brigades a month, depending on how many troops we have there, and that nearly all of them should be out within a year.

It is imperative, though, that we actually plan and execute this right. And you may remember last spring, I got into quite a back-and-forth with the Pentagon, because I was concerned they were not planning for withdrawal, because that was contrary to their strategy, or their stated position.

And I began to press them to let us know, and they were very resistant, and gave only cursory information to us.

So I've said that I will ask the Joint Chiefs and the secretary of defense and my security advisers the very first day I'm president, to begin to draw up such a plan so that we can withdraw.

But I just want to be very clear with people, that it's not only bringing our young men and women and our equipment out, which is dangerous. They have got to go down those same roads where they have been subjected to bombing and so much loss of life and injury. We have to think about what we're going to do with the more than 100,000 Americans civilians who are there, working for the embassy, working for businesses, working for charities.

And I also believe we've got to figure out what to do with the Iraqis who sided with us. You know, a lot of the drivers and translators saved so many of your young men and women's lives, and I don't think we can walk out on them without having some plan as to how to take care of those who are targeted.

At the same time, we have got to tell the Iraqi government there is no -- there is no more time. They are out of time. They have got to make the tough decisions they have avoided making. They have got to take responsibility for their own country.

(APPLAUSE)

And, you know, I think both Barack and I have tried in these debates -- and sometimes been pushed by some of our opponents -- to be as responsible as we can be, because we know that this president, based on what he said in the State of the Union, intends to leave at least 130,000, if not more, troops in Iraq as he exits. It's the most irresponsible abdication of what should be a

presidential commitment to end what he started.

So, we will inherit it. And therefore, I will do everything I can to get as many of our troops out as quickly as possible, taking into account all of these contingencies that we're going to have to contend with once we are in charge and once we can get into the Pentagon to figure out what's really there and what's going on.

BLITZER: But you can't make a commitment, though, that 16 months after your inauguration will be enough time?

CLINTON: I certainly hope it will be. And I've said I hope to have nearly all of them out within a year.

BLITZER: Go ahead.

OBAMA: Well, you know, I think it is important for us to be as careful getting out as we were careless getting in.

(LAUGHTER)

(APPLAUSE)

So I have said very clearly: I will end this war. We will not have a permanent occupation and we will not have permanent bases in Iraq.

(APPLAUSE)

When John McCain suggests that we might be there 100 years, that, I think, indicates a profound lack of understanding that we've got a whole host of global threats out there, including Iraq, but we've got a big problem right now in Afghanistan. Pakistan is of great concern. We are neglecting potentially our foreign policy with respect to Latin America. China is strengthening.

OBAMA: And if we neglect our economy by spending \$200 billion every year in this war that has not made us more safe, that is undermining our long-term security.

(APPLAUSE)

BLITZER: All right.

OBAMA: But the -- but I do think it is important for us to set a date. And the reason I think it is important is because if we are going to send a signal to the Iraqis that we are serious, and prompt the Shia, the Sunni and the Kurds to actually come together and negotiate, they have to have clarity about how serious we are.

It can't be muddy, it can't be fuzzy. They've got to know that we are serious about this process. And I also think we've got to be very clear about what our mission is. And there may be a difference here between Senator Clinton and myself in terms of the four structures that we would leave behind.

Both of us have said that we would make sure that our embassies and our civilians are protected. Both of us have said that we've got to care for Iraqi civilians, including the four million who have been displaced already. We already have a humanitarian crisis, and we have not taken those

responsibilities seriously.

We both have said that we need to have a strike force that can take out potential terrorist bases that get set up in Iraq. But the one thing that I think is very important is that we not get mission creep, and we not start suggesting that we should have troops in Iraq to blunt Iranian influence.

If we were concerned about Iranian influence, we should not have had this government installed in the first place.

(APPLAUSE)

We shouldn't have invaded in the first place. It was part of the reason that I think it was such a profound strategic error for us to go into this war in the first place.

(APPLAUSE)

And that's one of the reasons why I think I will be -- just to finish up this point, I think I will be the Democrat who will be most effective in going up against a John McCain, or any other Republican -- because they all want basically a continuation of George Bush's policies -- because I will offer a clear contrast as somebody who never supported this war, thought it was a bad idea. I don't want to just end the war, but I want to end the mindset that got us into war in the first place.

That's the kind of leadership I'm going to provide as president of the United States.

(APPLAUSE)

CLINTON: And of course...

BLITZER: Senator Clinton, that's a clear swipe at you.

CLINTON: Really?

(LAUGHTER)

CLINTON: We're having -- we're having such a good time.

OBAMA: I wouldn't call it a swipe.

CLINTON: We're having such a good time. We are. We are. We're having a wonderful time.

OBAMA: Yes, absolutely.

CLINTON: And I am so -- I am so proud to have the support of leaders like Congresswoman Maxine Waters, who is here with us tonight, who was one of the -- who was one of the original conveners of the Out of Iraq Caucus. Because it is imperative that as we move forward, with what will be a very difficult process -- there are no good options here.

We have to untangle ourselves and navigate through some very treacherous terrain. And as we do so, it is absolutely clear to me that we have to send several messages at once.

Yes, we are withdrawing, and I personally believe that is the best message to send to the Iraqis. That they need to know that they have to get serious, because so far they have been under the

illusion that the Bush administration and the Republicans who have more of the same will be there indefinitely.

And I also think it's important to send that message to the region, because I think that Iran, Syria, the other countries in the neighborhood, are going to find themselves in a very difficult position as we withdraw. You know, be careful what you wish for.

They will be dragged into what is sectarian divisiveness with many different factions among the three main groups. Therefore, we need to start diplomatic efforts immediately, getting the Iranians, the Syrians, and others to the table. It's in their interest, it's in our interest, and it certainly is in the Iraqis' interest. few debates ago -- we've had so many of them -- to join with me on legislation which he has agreed to do that's very important to prevent President Bush from committing our country to an ongoing presence in Iraq. That is something he is trying to push.

(APPLAUSE)

And we are pushing legislation to prevent him from doing that.

He has taken the view that I find absolutely indefensible, that he doesn't have to bring any such agreement about permanent bases, about ongoing occupation. And if Senator McCain is the nominee, 100 years as stretching forward, he doesn't have to bring that to the United States Congress. He only has to get the approval of the Iraqi parliament.

CLINTON: Well, we are saying absolutely no. And we're going to do everything we can to prevent him from binding any of us, going into the future, in a way that will undermine America's interests. So that's a critical issue.

(APPLAUSE)

BLITZER: We have a follow-up question on this subject from Jeanne Cummings.

Go ahead, Jeanne.

CUMMINGS: Senator Clinton, this one is for you. Judgment has been an issue that's been raised as part of this debate about Iraq. It's been raised by Senator Obama on a number of occasions.

And as this debate has gone on, more than half of the Politico readers have voted for this question, and it is, in effect, a judgment question. It comes from Howard Schumann (ph) from Phippsburg, Maine.

And he asks, "Before the U.S. invasion of Iraq, you could have voted for the Levin amendment which required President Bush to report to Congress about the U.N. inspection before taking military action. Why did you vote against that amendment?"

CLINTON: Well, Howard, that's an important question. And the reason is because, although I believe strongly that we needed to put inspectors in, that was the underlying reason why I at least voted to give President Bush the authority, put those inspectors in, let them do their work, figure out what is there and what isn't there.

And I have the greatest respect for my friend and colleague, Senator Levin. He's my chairman on the Senate Armed Services Committee.

The way that amendment was drafted suggested that the United States would subordinate

whatever our judgment might be going forward to the United Nations Security Council. I don't think that was a good precedent. Therefore, I voted against it.

I did vote with Senator Byrd to limit the authority that was being given to President Bush to one year, and that also was not approved.

You know, I've said many times if I had known then what I know now, I never would have given President Bush the authority. It was a sincere vote based on my assessment at the time and what I believed he would do with the authority he was given.

He abused that authority; he misused that authority. I warned at the time it was not authority for a preemptive war. Nevertheless, he went ahead and waged one, which has led to the position we find ourselves in today.

But I think now we have to look at how we go forward. There will be a great debate between us and the Republicans, because the Republicans are still committed to George Bush's policy, and some are more committed than others, with Senator McCain's recent comments.

He's now accusing me of surrendering because I believe we should withdraw starting within 60 days of my becoming president. Well, that is a debate I welcome, because I think the Democrats have a much better grasp of the reality of the situation that we are confronting. And we have to continue to press that case.

It will be important, however, that our nominee be able to present both a reasoned argument against continuing our presence in Iraq and the necessary credentials and gravitas for commander-in- chief. That has to cross that threshold in the mind of every American voter.

The Republicans will try to put either one of us into the same box that, if we oppose this president's Iraq policy, somehow we cannot fully represent the interests of the United States, be commander-in- chief. I reject that out of hand, and I actually welcome that debate with whomever they nominate.

(APPLAUSE)

BLITZER: Senator? Look, I want you to respond, Senator, but also in the context of what we've heard from General David Petraeus, that there has been some progress made lately.

The number of U.S. casualties has gone down. There has been some stability in parts of Iraq where there was turmoil before and that any quick, overly quick withdrawal could undermine all of that and all of that progress would be for naught.

What do you say when you'll hear that argument?

OBAMA: I welcome the progress. This notion that Democrats don't want to see progress in Iraq is ridiculous.

I have to hug mothers in rope lines during town hall meetings as they weep over their fallen sons and daughters. I want to get our troops home safely, and I want us as a country to have this mission completed honorably.

But the notion that somehow we have succeeded as a consequence of the recent reductions in violence means that we have set the bar so low it's buried in the sand at this point.

(APPLAUSE)

And I've said this before. We went from intolerable levels of violence and a dysfunctional government to spikes and horrific levels of violence and a dysfunctional government. And now, two years later, we're back to intolerable levels of violence and a dysfunctional government.

And in the meantime, we have spent billions of dollars, lost thousands of lives.

OBAMA: Thousands more have been maimed and injured as a consequence and are going to have difficulty putting their lives back together again.

So understand that this has undermined our security. In the meantime, Afghanistan has slid into more chaos than existed before we went into Iraq.

I am happy to have that argument. I also think it is going to be important, though, for the Democrat -- you know, Senator Clinton mentioned the issue of gravitas and judgment. I think it is much easier for us to have the argument, when we have a nominee who says, I always thought this was a bad idea, this was a bad strategy.

(APPLAUSE)

It was not just a problem of execution. It was not just a problem of execution.

I mean, they screwed up the execution of it in all sorts of ways. And I think even Senator McCain has acknowledged that.

The question is: Can we make an argument that this was a conceptually flawed mission, from the start?

And we need better judgment when we decide to send our young men and women into war, that we are making absolutely certain that it is because there is an imminent threat, that American interests are going to be protected, that we have a plan to succeed and to exit, that we are going to train our troops properly and equip them properly and put them on proper rotations and treat them properly when they come home.

And that is an argument that I think we are going to have an easier time making if they can't turn around and say: But hold on a second; you supported this.

And that's part of the reason why I think that I would be the strongest nominee on this argument of national security.

(APPLAUSE)

BLITZER: I'm going to let Senator Clinton respond. Senator Clinton, you always say, if you knew then what you know now, you wouldn't have voted like that. But why can't you just say right now that that vote was a mistake?

CLINTON: Well, Wolf, I think that if you look at what was going on at the time -- and certainly, I did an enormous amount of investigation and due diligence to try to determine what if any threat could flow from the history of Saddam Hussein being both an owner of and a seeker of weapons of mass destruction.

The idea of putting inspectors back in -- that was a credible idea. I believe in coercive diplomacy. I think that you try to figure out how to move bad actors in a direction that you prefer in order to avoid more dire consequences.

And if you took it on the face of it and if you took it on the basis of what we hoped would happen with the inspectors going in, that in and of itself was a policy that we've used before. We have used the threat of force to try to make somebody change their behavior.

I think what no one could have fully appreciated is how obsessed this president was with this particular mission. And unfortunately, I and others who warned at the time, who said, let the inspectors finish their work, you know, do not wage a preemptive war, use diplomacy, were just talking to a brick wall.

But you know, it's clear that if I had been president, we would have never diverted our attention from Afghanistan. When I went to Afghanistan the first time and was met by a young soldier from New York, in the 10th Mountain Division who told me that I was being welcomed to the forgotten frontlines in the war against terror, that just, you know, just struck me so forcefully.

We have so many problems that we are going to have to untangle. And it will take everyone -- it will take a tremendous amount of effort.

But the one thing I'm convinced of is that, if we go into our campaign against the Republicans with the idea that we are as strong as they are and we are better than they are on national security, that we can put together an effective strategy to go after the terrorists -- because that is real, that is something that we cannot ignore at our peril -- then we will be able to join the issues of the future.

And I think that's what Americans are focused on. What are we going to do going forward? Because day after day, what I spend my time working on is trying to help pick up the pieces for families and for injured soldiers, you know, trying to make sure that they get the help that they need, trying to give the resources that are required.

We had to fight to get body armor. You know, George Bush sent people to war without body armor.

BLITZER: So what I -- what I...

CLINTON: We need a president who will be sensitive to the implications of the use of force and understand that force should be a last resort, not a first resort.

BLITZER: So, what I hear you saying -- and correct me if I'm wrong -- is that you were naive in trusting President Bush?

CLINTON: No, that's not what you heard me say.

(AUDIENCE BOOING)

Good try, Wolf. Good try. You know...

BLITZER: Was she naive, Senator Obama? deserve to answer.

BLITZER: I thought you weren't going to answer.

CLINTON: You know, I think that, you know, that is a good try, Wolf.

(LAUGHTER)

You know, the point is that I certainly respect Senator Obama making his speech in 2002 against the war. And then when it came to the Senate, we've had the same policy because we were both confronting the same reality of trying to deal with the consequences of George Bush's action.

I believe that it is abundantly clear that the case that was outlined on behalf of going to the resolution -- not going to war, but going to the resolution -- was a credible case. I was told personally by the White House that they would use the resolution to put the inspectors in. I worked with Senator Levin to make sure we gave them all the intelligence so we would know what's there.

Some people now think that this was a very clear open and shut case. We bombed them for days in 1998 because Saddam Hussein threw out inspectors. We had evidence that they had a lot of bad stuff for a very long time which we discovered after the first Gulf War.

Knowing that he was a megalomaniac, knowing he would not want to compete for attention with Osama bin Laden, there were legitimate concerns about what he might do. So, I think I made a reasoned judgment. Unfortunately, the person who actually got to execute the policy did not.

(APPLAUSE)

BLITZER: Senator?

OBAMA: I don't want to -- I don't want to belabor this, because I know we're running out of time and I'm sure you guys want to move on to some other stuff, but I do just have to say this -- the legislation, the authorization had the title, an authorization to use U.S. military force, U.S. military force, in Iraq. I think everybody, the day after that vote was taken, understood this was a vote potentially to go to war.

(APPLAUSE)

I think were very clear about that. That's the -- if you look at the headlines.

The reason that this is important, again, is that Senator Clinton, I think, fairly, has claimed that she's got the experience on day one. And part of the argument that I'm making in this campaign is that, it is important to be right on day one.

(APPLAUSE)

And that the judgment that I've presented on this issue, and some other issues is relevant to how we're going to make decisions in the future. You know, it's not a function just of looking backwards, it's a function of looking forwards and how are we going to be making a series of decisions in a very dangerous world.

I mean, the terrorist threat is real. And precisely because it's real -- and we've got finite resources. We don't have the capacity to just send our troops in anywhere we decide, without good

intelligence, without a clear rationale.

That's the kind of leadership that I think we need from the next president of the United States. That's what I intend to provide.

(APPLAUSE)

BLITZER: All right.

We're going to take a quick break and we're going to continue this. We have one more break to go through.

A lot more coming up, including questions involving character.

And remember, you can go to [cnnpolitics.com](http://cnnpolitics.com) and watch this online discussion that's being waged right now.

We'll be right back.

(COMMERCIAL BREAK)

OBAMA: ... and, as a parent, yes, I am concerned about what's coming over the airwaves. Now, right now, my daughters mostly are on Nickelodeon, but they know how to work that remote.

(LAUGHTER)

And, you know, the primary responsibility is for parents. And I reject the notion of censorship as an approach to dealing with this problem.

(APPLAUSE)

I do think that it is important for us to make sure that we are giving parents the tools that they need in order to monitor what their children are watching. And, obviously, the problem we have now is not just what's coming over the airwaves, but what's coming over the Internet.

And so for us to develop technologies and tools and invest in those technologies and tools, to make sure that we are, in fact, giving parents power -- empowering parents I think is important.

The one other thing I will say is -- I don't mean to be insulting here -- but I do think that it is important for those in the industry to show some thought about who they are marketing some of these programs that are being produced to.

(APPLAUSE)

And I'm concerned about sex, but I'm also concerned, you know, some of the violent, slasher, horror films that come out, you see a trailer, and I'm thinking, "I don't want my 6-year-old or 9-year-old seeing that trailer while she's watching 'American Idol.'"

And sometimes you see that kind of stuff coming up. I think it is appropriate, in a cooperative way, to work with the industry to try to deal with that problem. And I intend to work in that fashion when I'm president of the United States of America.

BLITZER: Thank you, Senator.

(APPLAUSE)

All right, we've got another question from Jeanne.

Go ahead, Jeanne.

CUMMINGS: Well, since we've dealt with the kids, let's deal with the spouses for a second.

Senator Clinton...

CLINTON: He has a spouse, too.

(LAUGHTER)

OBAMA: Thankfully Michelle is not on stage. I'm sure she could tell some stories, as well.

CUMMINGS: Senator Clinton, your husband has set off several firestorms in the last few weeks in early primary states with the way that he has criticized Senator Obama.

CUMMINGS: Greg Craig, who was one of your husband's top lawyers campaign can't control the former president now, what will it be like when you're in the White House?

(LAUGHTER)

CLINTON: Well, one thing I think is fair to say, both Barack and I have very passionate spouses...

OBAMA: We do, no doubt.

CLINTON: ... who promote and defend us at every turn.

You know, but the fact is that I'm running for president, and this is my campaign.

(APPLAUSE)

And I have made it very clear that I want the campaign to stay focused on the issues that I'm concerned about, the kind of future that I want for our country, the work that I have done for all of these years. And that is what the campaign is about.

And of course, I'm thrilled to have my husband and my daughter, who is here tonight, you know, representing me and traveling around the country...

(APPLAUSE)

... speaking with people, but at the end of the day, it's my name that is on the ballot, and it will be my responsibility as president and commander in chief, after consulting broadly with a lot of people who have something to contribute to difficult decisions, I will have to make the call. And I am fully prepared to do that.

And I know that as we go forward in this campaign, it's a choice between the two of us. And we

are proud of our spouses, we're proud of our families, we're proud of everybody supporting us. But at the end of the day, it's a lonely job in the White House, and it is the president of the United States who has to make the decisions. And that is what I'm asking to be entrusted to do.

(APPLAUSE)

BLITZER: This will be the last question. It will go to both of you, to Senator Obama first.

The more I speak to Democrats out there -- not only the Democrats here at the Kodak Theatre, but all over the country -- they take a look at the two of you and they see potentially a dream ticket. A dream ticket for the White House.

(APPLAUSE)

There may have been some nasty words exchanged or angry words or whatever, but the question is this: Would you consider an Obama/Clinton or Clinton/Obama ticket going down the road?

OBAMA: Well, obviously there's a big difference between those two.

(LAUGHTER)

(APPLAUSE)

But, look, let me say this. And I said this at the top. I respect Senator Clinton. I think her service to this country has been extraordinary. And I'm glad that we've been walking on this road together and that we are still on that road.

We've got a lot more road to travel. And so I think it's premature for either of us to start speculating about vice presidents, et cetera. I think it would be premature and presumptuous.

I can say this about -- about who I want not just as vice president but as a cabinet member. Part of what I would like to do is restore a sense of what is possible in government.

(APPLAUSE)

And that means having people of the greatest excellence and competence. It means people with integrity. It means people with independence, who are willing to say no to me so, so that, you know, no more yes-men or women in the White House.

(APPLAUSE)

Because I'm not going to be right on every single issue.

But you know, it is really important, I think, for us also to give the American people this sense, as they are struggling with their mortgages and struggling with their health care and trying to figure out how to get their kids in a school that will teach them and prepare them and equip them for this century, that they get a sense that government's on their side, that government is listening to them, that it's carrying their voices into the White House.

And that's not what's happened over the last seven years. And whether it's my cabinet or it is the lowest federal civil servant out there, I want them to understand they are working for the

American people, to help the American people achieve their dreams.

That's the reason I'm running for president of the United States of America.

(APPLAUSE)

BLITZER: So, is the answer yes -- it sounds like a yes, that she would be on your short list.

OBAMA: I -- you know, I'm sure Hillary would be on anybody's short list. So.

BLITZER: All right. What about, Senator Clinton, what do you think about a Clinton/Obama, Obama/Clinton ticket?

CLINTON: Well, I have to agree with everything Barack just said.

(LAUGHTER)

(APPLAUSE)

BLITZER: That means it's a yes, right?

CLINTON: This has been an extraordinary campaign, and I think both of us have been overwhelmed by the response that we have engendered, the kind of enthusiasm and intensity that people feel about each of us. And so, clearly, we are both dedicated to doing the best we can to win the nomination, but there is no doubt we will have a unified Democratic Party.

(APPLAUSE)

We will go into the November election prepared to win. And -- and I want to just add that, you know, on Monday night, I'm going to have a national town hall, an interactive town hall. It will be carried on the Hallmark Channel and on my Web site, HillaryClinton.com, because I know you had tens of thousands of questions.

OBAMA: What about my Web site?

(APPLAUSE)

CLINTON: Yes. I want your folks to participate, too.

OBAMA: I'm just kidding.

CLINTON: And it's going to be across the country.

Monday night at 9:00 Eastern, 6:00 here on the West Coast.

BLITZER: All right. answered, please, log on, turn on, and continue to be part of this really, really exciting election for both of us.

BLITZER: Here is the bottom line -- we do the plugs here. You guys can do the plugs out on the campaign trail.

That has to end our conversation this evening.

I want to thank both of you for coming very much.

OBAMA: Thank you.

CLINTON: Thank you.

(APPLAUSE)

BLITZER: Senator Barack Obama, Senator Hillary Clinton.

END

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