A Critical Discourse Analysis Of The United States of America’s Presidential Debates 2012

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A CRITICAL DISCOURSE ANALYSIS OF THE UNITED STATES OF AMERICA’S PRESIDENTIAL DEBATES 2012

A THESIS

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ACKNOWLEDGEMENT

On the 2014\textsuperscript{th} year of our Lord Jesus Crist, I have finished writing another page of my book of life. It was hard, I know. I have my ego cut out for this, I know. But another thing I also know is that You are always there for me. I know. I know that for sure. So, right now, on this paper that’s as white as life that You’ve given to me, I devote my gratitude for You, my God, my Heavenly Father. Thank you so much for being there beside me this whole time, giving me everything that I need, helping me grow up in this rough situation, blessing me abundantly, protecting me from guests that I can’t handle. Thank you.

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Regina Mutiara br Tarigan
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Dari hasil analisis, ditemukanlah bahwa kedua kandidat menggunakan fitur-fitur linguistik dalam bahasa politik yang dikemukakan oleh Norman Fairclough. Fitur-fitur tersebut dibagi menjadi tiga bagian yaitu tingkat kata, tingkat tata bahasa dan struktur teks. Dalam tingkat kata ditemukan Rewording and Overwording; Synonymy, Hyponymy dan Antonymy; Euphemism; Formality; serta Metaphors. Dalam tingkat tata bahasa ditemukan Agency; Active and Passive sentences, Positive and Negative sentences; Modes; Pronoun (We). Sedangkan dalam struktur teks ditemukan Formulation dan Interruption. Skripsi ini diharapkan dapat bermanfaat bagi penelitian di bidang komunikasi politik dan penelitian yang menunghak metode serupa yaitu Analisis Wacana Kritis (Critical Discourse Analysis).
This thesis is entitled “Critical Discourse Analysis of the Concluding USA’S Presidential Debates 2012”. The selection of title is based on the awareness to the importance of understanding the use and interpretation of language by government officers and any other persons who are living in politics. Political world, indeed, has certain language which if we can not understand correctly, it will cause wrong meaning. That is why an example of political communication has been chosen to be analyzed that is political debates. Political debates which are selected are United States of America’s presidential debates that are held in 2012 with President Barack Obama from Democrat Party and Governor Mitt Romney from Republic Party as the candidates. In analyzing this kind of political discourse, special method is needed and the best fit is Critical Discourse Analysis. From several theories of Critical Discourse Analysis that are presented by experts, Critical Discourse Analysis from Norman Fairclough has been chosen to be used in this thesis.

From the result of the analysis, it is found that both candidates used linguistic features of political language that are stated by Norman Fairclough. Those features are divided into three parts which are Vocabulary, Grammar and Textual Structure. In Vocabulary level, Rewording and Overwording; Synonymy, Hyponymy and Antonymy; Euphemism; Formality and Metaphors are found. In Grammatical level, Agency; Active and Passive Sentences; Positive and Negative Sentences; Modes; Pronoun (we) are found. Then in the Textual Structure, Formulation and Interruption are found. This thesis is expected to be helpful for researches in the world of political communication and other researches that use similar method which is Critical Discourse Analysis.
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<thead>
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<th>Abbreviation</th>
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<tbody>
<tr>
<td>BS</td>
<td>BOB SCHIEFFER</td>
</tr>
<tr>
<td>CC</td>
<td>CANDY CROWLEY</td>
</tr>
<tr>
<td>CDA</td>
<td>CRITICAL DISCOURSE ANALYSIS</td>
</tr>
<tr>
<td>GMR</td>
<td>GOVERNOR MITT ROMNEY</td>
</tr>
<tr>
<td>JL</td>
<td>JIM LEHRER</td>
</tr>
<tr>
<td>PBO</td>
<td>PRESIDENT BARACK OBAMA</td>
</tr>
<tr>
<td>PD</td>
<td>PRESIDENTIAL DEBATE</td>
</tr>
<tr>
<td>Q</td>
<td>QUESTION</td>
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CHAPTER I

INTRODUCTION

1.1 Background of Analysis

Everyday, we are bombarded by political news on mass media. They are on TV, radio, newspaper, magazine, and certainly on the internet. They have their special column and spaces. The news are also various. There are important huge news like general elections, political speeches, or other political big cases; the news that keep us critical and rational. But, there is also unimportant commercial news such as the political visits to market, the politicians’ vacations or some tiny insignificant things. All of them are differently purposive but above all they are similar in type, political.

The political news is written and broadcasted to society to show how the political situation around them is. Then, society gives their responses whether they are actions or thoughts. The political news absorbs a lot of attention especially when famous big person is related to them. In fact, the political news has its own fans. Why do we find something “politics” very interesting? They are interesting because the political news is different with other news. The way they are communicated, the way they influence people, and also the way they create a big “common sense” are several things that make them interesting. Common sense can be formed by producing it on mass media, giving big statements on political occasions, etc. Of
course, it can only be done by prestigious person with excellent political communication ability in his/her hand.

Political communication ability is the most important thing in politics. Without this ability, you shouldn’t call yourself a politician. This ability is so special that you can “move a mountain” with it. By having ability in political communication, you can change the way others think and turn it to be what you want it to be; you can interest voters (in election) and make them to dislike other candidate(s) at the same time; and you can also make something black to be white. You can provoke war and can also stop it. You can set people’s spirit in fire and then calm it down. It’s huge and every real politician has it. The question is that if their political communication can control us, how should we overcome it? There’s always a way out.

Politicians are good in communication because they can choose the right code in the right contact. They master language and its power. They know how to put the most effective and touching words in the right time. They realize that language has power to influence people in action and thoughts. They are ‘wise’. The good news is we are playing in the same yard. Political language is tough, indeed, but it is still a language and we are linguist. We eat language for breakfast.

The language of politics has its own specific features such as vocabulary, grammar and discourse. It is because the variety belongs to particular group which, in this case, is politicians. They are trained to be more tactical. That is why we have to be more critical. We should be able to analyze deeply and accurately to find the real meaning of their utterances. If we can’t do it, we are going to be like other people that never learnt about language. We will catch the meaning of political
language the way the politicians want us to. The more serious effect is that we will act and think just like how the politicians want us to. That is why we need to use a critical method as our defense and Critical Discourse Analysis is just fit right in.

CDA (for the abbreviation of Critical Discourse Analysis) is a critical approach to analyze both the abstract social structure and the concrete social events as parts of social life. It is a multidisciplinary approach that combines several disciplines in analyzing discourse. In short, CDA has profited from contemporary developments in linguistic pragmatics, social theory, psychology, discourse analysis, and text linguistics, resulting in a multidimensional form of analysis. Much of the success of Critical Discourse Analysis can be traced to the pioneering works of analysts such as Norman Fairclough, Teun van Dijk and Ruth Wodak.

The works of those analysts discuss some principles of critical discourse analysis, such as the explicit sociopolitical stance of discourse analysts, and a focus on dominance relations by elite groups and institutions as they are being enacted, legitimated or otherwise reproduced by text and talk. One of the crucial elements of their analysis of the relations between power and discourse is the patterns of access to (public) discourse for different social groups. Theoretically it is shown that in order to be able to relate power and discourse in an explicit way, we need the cognitive interface of models, knowledge, attitudes and ideologies and other social representations of the social mind, which also relate the individual and the social, and the micro- and the macro-levels of social structure. Paying attention to their analysis, we know that Critical Discourse Analysis is the most suitable method in approaching political discourses such as debates just like the object of this analysis.
The next question is, why debate? To answer this question, we need to analysis this current situation. Recently, the government ‘from the people, by the people, and for the people’ is becoming a hot issue. More and more countries of the world lay down the authority of choosing the leader of the nation in the hands of their people. As good citizens, we are expected to do our duty to participate in the Presidential Election and other high officials that will lead our nation for a certain period. This is a good idea because the elected leader and the officials are the result of the people’s voice. Nevertheless, we are often put in the difficult position. We are requisite to choose one of several persons that we just don’t recognize. Perhaps we recognize but we don’t know them entirely up to the point whether he/she is able to lead the nation or not. There are even cases when the names that will be the choice are names that sound strange to our ears. So, how can we measure their ability and capability while the Election Day is getting closer, for instance? Most people agree to analyze it by following the debates that are usually held before the Election Day.

Political debates of national leader candidates -more or less- give a representation about the ability and the capability of the candidates. By paying attention to their opinions, argumentations and even all of the jokes they produced, we are able to know who they are behind the mask they used during the campaigns. In the campaigns, they may ask someone to form them a good speech or perhaps directly hire someone to do the campaign speech in case they are incompetent in doing that kind of thing. That is just not in debate. All of the utterances are done spontaneously based on the moderator’s or other candidates’ questions. It is including responses to their statements. All we need is a right way to analyze such
things. In short, the treasure is there but we still need key to open the case. That is why debates are the best source to understand discourse and to cover issues.

As the field of study, United States of America’s Presidential Debates 2012 have been chosen. This is done based on the consideration that Debates between Barack Obama and Mitt Romney are big debates which is witnessed by the millions of men all over the world especially America whom destiny to a certain degree is determined through this debates. These debates are big because it is an election of the most powerful country leader in the world until today. The country is often reputed to be reference in many things. That is why analyzing United States of America’s presidential debates could become a reflection of other countries leader election.

1.2 Problems of Analysis

The analysis will be directed by three questions as guidance. Of course, the exploration will not only about the three questions but will also be cleared by related theory and essential addition. The three questions are mentioned as follow.

1. What features do words of both candidates have?
2. What features do grammatical features of both candidates have?
3. What are the interpretations of both candidates’ words and grammatical features?

1.3 Objective of Analysis

To make sure that the exploration of Critical Discourse Analysis in this thesis is working, the analysis needs some definite objective. These objectives will become circumscription and keep us working in the right line. The objectives of the analysis are:
1. To find out the features that words of both candidates have.

2. To find out the features that grammatical features of both candidates have.

3. To find out the interpretations of both candidates’ words and grammatical features.

1.4 Scope of the Analysis

The analysis will be limited in the scope of analysis to make it more concentrated. In this thesis, the analysis will be done to several subjects. They are vocabulary, grammatical features and also other aspects of political language. Just like what the aforementioned definition about CDA has informed, it is a multidiscipline analysis which we can not limited by one particular subject. It is built of several subjects. But to make the analysis focus to the problem, there are only two major themes which are political science and linguistics that will be analyzed deeply. That is why other disciplines such as psychology, economy and etc. will be considered as contexts that help to understand the whole discourse.

The analysis will be done in three stages. They are description, interpretation and explanation. These are the stages of Critical Discourse Analysis developed by Norman Fairclough. The description, interpretation and explanation will be applied to the words and grammatical features of both candidates in those three debates.

1.5 Significances of the Analysis

Everything must be existed for some special significance. This thesis also aimed to give significances. Several significances which are intended to give are:

1. This thesis could enrich the scientific research of Critical Discourse Analysis.
2. This analysis could give information about important points found in the USA’s Presidential Debates 2012.

3. This analysis could be a directory in revealing the language used by politicians in the political debates.

4. This thesis could give essential consideration for readers who are watching political debates, interview, speeches or any other political communications to be more critical in analyzing politicians’ statements.
CHAPTER II

REVIEW OF RELATED LITERATURE

2.1 Review of Studies

Consulting several previous works of related studies is so important. It will not only give us inspirations but also guidance. That is why in doing this research, several related research and journals are being consulted. The first research is a collaborative thesis by Suzie Lauritzen and Malene Fiskers entitled Power in Discourse with the subtitle A Critical Discourse Analysis of the Concluding Democratic Presidential Debates 2008. The debates were between Senator Barrack Obama and Hillary Clinton.

In their thesis, they analyzed how the major discourses of the two final democratic candidates correlate with the social constructions of gender and race in contemporary American society in terms of power and dominance. Additionally, they analyzed how their rhetorical expertise influence the discourse(s) in the debates and which devices they utilize in terms of argumentation and self-framing in order to create a convincing and positive image of self.

They have divided their thesis into two areas. The first deals with the society that the debates take place in and the possibilities it gives, as well as the limitations it sets for the candidates. The second area deals with the personal abilities of the candidates and how they use them to frame themselves and their ideas in a positive light. Their approach to CDA is predominantly based on the research of the three
leading theorists within the field, Teun A. van Dijk, Norman Fairclough, and Ruth Wodak, whose extensive lists of publications are probably the most cited in the CDA community. On the notion of power in discourse, they adopted the sociocognitive approach of van Dijk that distinguishes him from Fairclough and Wodak.

In the conclusion, they admitted that their analysis of the debates have proved Obama to be an eloquent speaker and thereby the better candidate. Despite his challenge of being a rather unknown, African-American, he succeeded in following a dominant discourse based on showing good sport, humor, leadership to change and most importantly, of telling his story, making people believe in the American dream. Furthermore, he continuously managed to address his statements to the public as a whole and thereby became a man of the people instead of for the few.

That is about the thesis which is being consulted concerning to the topic of power in discourse. The next research is about rhetorical expertise entitled Legitimation and News Rhetoric in Terrorism Reporting. This Master Diploma Thesis is written by Bachelor Kristina Kulklsova from Faculty of Arts, Masaryk University. In her thesis, Kristina analysed two well-known British newspapers, the *Guardian* and *The Sun*, and state the strategies of persuasion they use among others; the rhetorical figures, the choice of vocabulary and generally the style and tone of language to persuade their readers and in the case of *The Sun* to legitimize the attitudes and actions against the real or supposed terrorists.

The analysis in the thesis is not limited to the analysis of lexical choices in the text or syntax but it also includes the content analysis of fear producing words and collocations and nationalism embedded in the text because these are also important for the power relations and through the linguistic and psychological means
they are able to change the social reality and specifically to legitimize certain activities of power groups.

The approach CDA approach she used is following the idea of Weiss, Wodak and van Dijk. Concerning with the rhetoric, Kristina have quoted definition of it from experts. Rhetoric is an important tool of persuasion in the newspapers and in discourse in general. It can be defined among other as instrumental expression, argumentation and eloquent language or the art or study of persuasive public discourse. The important point is that it focuses on the figures of speech - or ‘rhetorical structures’ that have the purpose to persuade.

As the conclusion, in the analysis of the articles from two British newspapers - The Sun and the Guardian she has found substantial differences between the representation of the facts concerning the topic of terrorism. The differences were of distinct character but they all contribute to the completely dissimilar image of the two newspapers in the British society.

The last but not least thesis that is being consulted in doing this research is a Bachelor Thesis entitled Linguistic Features in Political Speeches. The focus of the thesis as is mentioned by the sub title is that how language can be used to impose certain moral or ethical values on people. This thesis belongs to Lena Kulo from Lulea University of Technology.

The analysis is applied to two speeches during the American presidential campaign of 2008; one speech by the Democratic president candidate Barrack Obama and one by the Republican candidate John McCain. The method of analysis was to locate words, sentences or paragraphs where it appeared as if linguistic
choices had been made to depict ideas and concepts in certain ways. In the thesis, Kulo mentioned several aspects that will become the limitation of the analysis. They are metaphors, metonymies, analogies, pronouns, and the active or passive voice of transitive verbs, sound-bites, word-repetition, three-part list and contrastive pairs.

Kulo’s presentation was divided into three main sections. First, each speech is analyzed separately and then there follows a comparison of the two speeches. In each section quotes exemplifying the rhetorical strategies presented in chapter two are analyzed and discussed. One quote may be parsed from the point of view of more than one strategy.

The analysis revealed some implicit statements that impose certain moral values on the audience. The conclusion to be drawn from this study is that linguistic divergences between how different speakers present their arguments and their views are possible to discern. These differences revealed attitudes of various kinds, such as what more precisely are their priorities as far as war is concerned. To summarize, being aware of how politicians use rhetorical strategies in order to convince an audience of the rectitude of war is high importance. As the main findings of Kulo’s study revealed, the principal disparity between McCain speech and Obama’s speech is their implicit views on morality, the strict father morality and the nurturant parent morality.
2.2 Discourse

According to Fairclough (1995:15), a discourse is a way of signifying a particular domain of social practice from a particular perspective, and a genre may predictably draw upon a particular range of discourses, though a given discourse may be drawn upon in various genres. This is the definition of discourse that he provided in his journal when he was a student at a university. Based on this definition, Fairclough connected linguistics to social practice from the first time presented his theory. To make it clearer, there is one more definition of discourse by Fairclough.

Fairclough (1989: 5) also gives the definition of Discourse as ‘language as a form of social practice’. It means that language is a part of society. It is a social process and socially conditioned by other (non-linguistic) parts of society. The connection between them is not an external one but more like internal and dialectical relationship. That is why linguistic phenomena are social in the sense that whenever people speak or listen or write or read, they do so in ways which are determined socially and have social effects.

From the two definitions of discourse Fairclough has stated, it is clear that he really emphasize the concept that discourse is connected to social practice. Concerning this conception of discourse, it is now understood where Fairclough want to lead his theory to.
2.3 Discourse Analysis

There are many perspectives about Discourse Analysis. Slembrouck in Juez-Alba (2009: 9) points out the ambiguity of the term Discourse Analysis and provides another broad definition:

The term discourse analysis is very ambiguous. I will use it in this book to refer mainly to the linguistic analysis of naturally occurring connected speech or written discourse. Roughly speaking, it refers to attempts to study the organization of language above the sentence or above the clause, and therefore to study larger linguistic units, such as conversational exchanges or written texts. It follows that discourse analysis is also concerned with language use in social contexts, and in particular with interaction or dialogue between speakers.

The definition given by Slembrouk is fair enough to give senses to Discourse Analysis.

The aim of this part is only to show that Critical Discourse Analysis is different from the Discourse Analysis. In their thesis, Lauritzen and Fisker have given a clear limitation that is CDA has a special focus on social change. This is why the expanded explanation about discourse analysis is not absolutely needed and the explanation of Critical Discourse Analysis will be given in the next point.

2.4 Critical Discourse Analysis

Fairclough (1989:5) begins by presenting a term of Critical Language Study. Critical is used in the special sense of aiming to show up connections which may be hidden from people. CLS analyzes social interactions in a way which focuses upon their linguistic elements, and which sets out to show up their generally hidden determinants in the system of social relationships, as well as hidden effects they may have upon that system.
In analyzing the discourse as a ‘language as a form of social practice’, there are three dimensions which are parts of an approach called Critical Discourse Analysis. They are description, interpretation, and explanation.

2.4.1 Description

It is a stage which is concerned with formal properties of the text. It is the investigation about vocabulary, grammar and textual structure. The important aspects that affect this stage are common sense and ideology since there are several grouping that will be done based on their sides on common sense and ideology.

Ideology can be interpreted as ‘any social policy which is in part or in whole derived from social theory in a conscious way’. It can also be interpreted as ‘ideas which arise from a given set of material interests’ in course of struggle for power. The point to stress is that the variable meanings of ideology are not just randomly generated, but themselves correspond to different ideological positions. A full account of the variability of a word such as ideology would require comparison of meaning systems, not just word meaning.

Ideology is most effective when its workings are least visible. If one becomes aware that a particular aspect of common sense is sustaining power inequalities at one’s expense, it ceases to be common sense, and may cease to have the capacity to sustain power inequalities. This invisibility is achieved when ideologies are brought to discourse not as explicit elements of the text, but as the background assumptions which on the one hand lead the text producer to ‘textualize’ the world in a particular way and on the other hand lead the interpreter to interpret the text in a particular way.
Common sense is substantially, though not entirely, ideological. This is the important relationship between common sense and ideology that is primarily concerned with.

2.4.1.1 Vocabulary

2.4.1.1.1 Rewording and Overwording

Wording is the way in which something is expressed in words. The first phenomena is wording is an ‘oppositional’ wording that we call as rewording. Rewording is an existing, dominant, and naturalized, wording is being systematically replaced by another one in conscious opposition to it. It is based on its vocabulary items *per se* under the ideological framework. Rewording happens when one particular topic is seen from different point of view.

Example:

The war in Gaza Stripe

Israel would rather use the word ‘defend’ but Palestinian would prefer the word ‘attack’ in explaining what Israel did to them.

Overwording, according to Fairclough (1989: 115) is an unusual high degree of wording that is involving many words which are near synonyms.

2.4.1.1.2 Synonymy, Hyponymy, and Antonymy

According to Griffith (2006:26), Synonymy is equivalence of sense. The real characteristic of it is that when a single word in a sentence is replaced by a synonym then the literal meaning of the sentence is not changed.
Example:

Purpose, Aim, Goal

- Rising up an excellent generation is the *purpose* of this program.
- Rising up an excellent generation is the *aim* of this program.
- Rising up an excellent generation is the *goal* of this program.

Hyponymy, as Griffith (2006: 46) pointed out, is concerned with the labeling of sub-categories of word’s denotation: what kinds of Xs are there and what different kinds of entities count as Ys.

Example:

Pie is one kind of food, and burger and cake are other kinds of food. The hyponymy is illustrated below.

- She gave her pie to the poor old woman.
- She gave her food to the poor old woman.

If it is true that she gave her pie to the poor old woman, then it must be true that she gave her food to the poor old woman. On the other hand, if it is true that she gave her food to the poor old woman, we cannot be sure that it is pie because there are other possibilities. The food that she gave to the poor old woman could be burger or cake. That is why the sentence with a hyponym entails the corresponding sentence with the super ordinate replacing it goes one way only.

Fairclough (1989: 116) defines Antonymy as meaning incompatibility- the meaning of one word is incompatible with the meaning of another.
Example:

- Black and White
- Small and Big

2.4.1.3 Euphemism

Fairclough (1989: 117) defined euphemism as a word which is substituted for a more conventional or familiar one as a way of avoiding negative values.

Example:

Pee-pee substituted Urination
Poo-poo substituted Defecation

2.4.1.4 Formality

Formality is a common property in many societies of practices and discourses of high social prestige and restricted access. It is a contributory factor in keeping access restricted. Formality is best regarded as a property of social situations which has peculiar effects upon language form. Formal situations also give much effect to the formality. In formal situations, there are requirements to do with grammar, rhythm, tempo, loudness or speed. Consequently, there is a strong tendency towards politeness.

Example:

Conversation in Senate investigation
2.4.1.5 Metaphors

Gilian Lazars (2003:1) said that the term *metaphor* comes from the Greek *meta* expressing ‘change’ and *pherein* meaning ‘to carry’. Metaphors thus involve a ‘carrying across’ of meaning from one object to another. Metaphors are easily found in poem.

Example:

The Weary Blues

...  
I heard that Negro sing, that old piano moan--

"Ain't got nobody in all this world,

Ain't got nobody but ma self.

I's gwine to quit ma frownin'

And put ma troubles on the shelf."

...

Langston Hughes

The writer used a metaphor. The Black Americans was compared to a poor piano. The old piano, actually, could give beautiful sounds if it was played properly and well just like the Black Americans which was actually beautiful but the Whites reject them like rejecting a poor old piano.
The importance of metaphors in politics is explained extensively in *Political Language and Metaphor*, a book edited by Carver and Pikalo. This shows us that metaphor do has a special part in the language of politics.

**2.4.1.2 Grammar**

**2.4.1.2.1 Agency**

Agency is an important part in identifying responsibility. Agents are generally animate but agents can be realized as inanimate nouns, abstract nouns, or nominalizations. It will be easy to identify the responsibility if the agents are animate but sometimes, we find sentences that have inanimate agents. This case can cause an unclear agency.

Example:

- Mr. Thompson hit a tree with his car. (Animate)
- The car hit a tree. (Inanimate)

**2.4.1.2.2 Active and Passive sentences**

Active and passive sentences are different in their position and form of verb.

Example:

Active: Germany beat Argentina at the World Cup 2014.

Passive: Argentina was beaten by Germany at the World Cup 2014.
Active sentences are far more numerous than passive sentences. According to Greenbaum and Nelson (2002: 18), their relative frequency varies with register, for instance, passives tend to be used in formal scientific writing.

2.4.1.2.3 Positive and Negative Sentences

Sentences are either positive or negative. Negative sentences are the ones that contains *not* *n’t*, or some other negative word such as *never*, *nobody* or *no*.

Example:

Positive: The a cappella group competes to the international championship.

Negative: The a cappella group doesn’t compete to the international championship.

As with presupposition, negation can be sincere, manipulate, or ideological.

2.4.1.2.4 Modes

According to Fairclough (1989: 125), there are three major modes: declarative, grammatical question, and imperative. Declaratives are marked by having an S followed by a V. Imperatives do not have an S at all, and they start with a V. Grammatical questions consist of two types: wh-questions and yes/no questions.

Example:

- This town has a very mysterious building. (Declarative)
- Why were you here? (Grammatical question)
• Leave the door open! (Imperative)

Systematic asymmetries in the distribution of modes between participants are important per se in terms of participant relations: asking (for action or information) is generally a position of power, as too is giving information – except where it has been asked for.

2.4.1.2.5 Pronoun (We)

Pronouns, as Portner (2005: 102) are another kind of word that can refer. The pronoun is an anaphor which is linked to its antecedent.

Example:

• Jokowi won the Indonesian presidential election at July 2014.

• He, therefore, become president of Indonesia from 2014 until 2019.

Antecedent : Jokowi
Anaphor : He

There are many pronouns in English but the most important one in politics is We. According to Ward in Young and Harrison (2004: 284), we intrinsically creates an opposition and exclusion, but this externalized entity may not be fixed throughout an utterance. The fuzziness of this linkage is used by politicians at times to manipulate texts and disguise agency. There are four types of we and they can be provided in the figure below.
Figure 2.1  Cline of inclusiveness for *we* (Young and Harrison, 2004: 284)

a)  *we(I)* is Halliday's 'speaker plus listener', the most inclusive and paraphrases as 'you and I together'

b)  *we(I?)* infers inclusiveness but is vague

c)  *we{R)* infers the exclusive *we(E)* but invokes inclusiveness, paraphrased in usage as 'I' similar to the royal 'we' but is indexically less personal, less responsible

d)  *we(E)* is Halliday's 'speaker plus other' and is exclusive and paraphrases as 'our group excluding you'

Example:

I haven't rehearsed it so I may have to muddle through a bit, but *we(I)*'ll see how *we(I)* go. And what just to kick it off I'll just state, I'll just state our(E) position where *we(E)*'re coming from and then *we(R)*'ll leave you to it with your union representative. Okay as a background to today um *we E* want to renew the contract,

(Example by Ward).
2.4.1.3 Textual Structures

2.4.1.3.1 Formulation

A formulation is either a rewording of what has been said, by one self or others, in one turn or a series of turns or indeed a whole episode; or it is a wording of what may be assumed to follow from what has been said, what is implied by what has been said. Formulation are used for purposes as checking understanding, or reaching an agreed characterization of what has transpired in an interaction. But they are also used for purposes of control, as a way of leading participants into accepting one’s own version of what has transpired, and so limiting their options for future contributions.

2.4.1.3.2 Interruption

Interruption is an act of delaying the continuity of an activity, in this case, a conversation. In political occasion, especially in political debate where the turn takings have been regulated, an interruption shows things related to power, politeness, and others.

2.4.2 Interpretation

It is concerned with the relationship between text and interaction by seeing the texts as the product of a process of production. In the stage of interpretation, there are several procedures that should be followed to make the analysis works and deep. The interpretative procedures are shown in the figure below.
The figure contains six major domains relate to the interpretation. The two in the upper section of the diagram relate to the interpretation of context, while those in the lower section relate to four levels of interpretation of text. In the left hand column are listed major elements of background knowledge with function as interpretative procedures.

Based on the lower section of the diagram, relating to text interpretation, here are the identifications of the four levels according to the domains of interpretation listed in the right-hand column.

### 2.4.2.1 Surface of Utterances

According to Fairclough (1989:43), this first level of text interpretation relates to the process by which interpreters convert strings of sounds or marks on
paper into recognizable words, phrases and sentences. All the marks, notes, and signs that are randomly made by interpreters in their data must be turned into more ordered and recognizable forms so it is easier to get into the next level of text interpretation which is meaning of utterances.

2.4.2.2 Meaning of Utterances

The second level of interpretation is a matter of assigning meanings to the constituent parts of text which are utterances. Interpreters here draw upon semantic aspects to their MR – representations of the meanings of words, their ability to combine word meanings and grammatical information and work out implicit meanings to arrive at meanings for whole propositions. They also draw upon pragmatic conventions within their MR, which allow them to determine what speech act(s) an utterance is being used to ‘perform’. (Ibid) In this level, the interpreters must use semantics in represents the meaning of those words, phrase, etc. that they have turned into recognizable forms. Further, they use pragmatics to identify the kinds of speech act(s) one utterances may have.

2.4.2.3 Local Coherence

The third level of interpretation establishes meaning connections between utterances, producing coherent interpretations of pairs and sequences of them (Ibid). In this level, one thing that the interpreters should remember is that the coherence here is related to one particular part of the text not its coherence with the whole part of the text because it can represent different result of interpretations.
2.4.2.4 Text Structure and Point

Interpretation of text at this level is a matter of working how a whole text hangs together. The previous point has mentioned about the local coherence of text and here is the global coherence of text. It means that the coherence we expect is not just from one particular part of a text but from the whole part of a text. The differences here shall be clear.

Concerning to the research, interpretation is assumed as the interpretation of context as well as texts. Since the research is so close and connected to the situational context, the division of discourse based on their possession of situational context will be provided. It is adopted from Fairclough’s that he presented in *Language and Power*.

![Figure 2.3 Situational Context and Discourse Type (Fairclough, 1989:147)](image-url)
On the left-hand side of the lower half of the diagram, there given four questions which relate to four main dimensions of the situation. On the right-hand side of the lower part, there are four main dimensions of a discourse type, in our sense of a set of underlying conventions belonging to some particular order of discourse. The upper side of the figure, there had shown the dependence of the context to several aspects such as institutional setting and situational setting.

2.4.3 Explanation

It is concerned with the relationship between interaction and social context with the social determination of the processes of production and interpretation, and their social effects.

![Diagram showing relationship between interaction, social context, and discourse]

Figure 2.4 Explanation (Fairclough, 1989: 164)

Explanation can be summarized in these three points that can be used as guidance to investigate a particular discourse.

2.4.3.1 Social Determinants

Social determinants relate to power relations at situational, institutional and societal levels that help shape this discourse. A discourse may reproduce its own social determinants and the MR which it draws upon with virtually no change, or it may to a greater or lesser degree contribute to their transformation.
2.4.3.2 Ideologies

The stage of explanation involves a specific perspective on MR which is seen specifically as ideologies that is the assumptions about culture, social relationships, and social identities which are incorporated in MR. In this stage, the things that must be investigated are the elements of MR which are drawn upon the text that have an ideological character.

2.4.3.3 Effects

Here, there are several important points. They are the position of discourse in relation to struggles at the situational, institutional, and societal levels; the types of the struggle (overt or covert); the attribute of the discourse with respect to MR (normative or creative); and the last one is the contribution of the discourse to sustaining existing power relations.

The objective of the stage of explanation is to portray a discourse as a part of social process, as a social practice, showing how it is determined by social structures, and what reproductive effects discourses can cumulatively have on those structures, sustaining them or changing them. Exploration of the determinants and effects of discourse at the institutional and societal levels in particular can easily lead one into detailed sociological analysis.
CHAPTER III

METHOD OF RESEARCH

3.1. Research Design

The method being used in this research is qualitative-descriptive analysis because the data are qualitative. As Miles and Huberman said in *Qualitative Data Analysis (1994: 1)*, qualitative data, usually in the form of words rather than numbers, have always been the staple of some fields in the social sciences, notably anthropology, history, and political sciences. In qualitative-descriptive analysis, we identify and provide evidence to support our hypothesis and describe them.

After identifying the data, the writer, then, find the right approach in analyzing them. According to Miles and Huberman (1994:8), there are three approaches to qualitative data analysis. They are *Interpretivism, Social Anthropology and Collaborative social research*. This writer uses the first approach for it is the most suitable one for this kind of research. *Interpretivism* says that human discourse and action could not be analyzed with the methods of natural and physical science. Interpretivists of all types also insist that researchers have their own understandings, their own convictions, and their own conceptual orientations.

3.2. Data and Data Source

The data are utterances of both candidates -Barack Obama and Mitt Romney- that contains formal features of political language. The data are taken from the
transcripts of three presidential debates between President Barack Obama and Governor Mitt Romney. The three debates are held on October 2012 before the Presidential Election of United States of America. They are very full sources that contain a lot of information needed. That is just the strength of qualitative data. Qualitative data are a source of well-grounded, rich descriptions and explanations of processes in identifiable local contexts. With qualitative data one can preserve chronological flow, see precisely which events led to which consequences, and derive fruitful explanations.

3.3. Data Collecting Procedure

The data of the analysis are collected from the three presidential debates between President Barack Obama and Governor Mitt Romney. The three transcripts are available on the internet. The data can only be caught by intensively reading the three presidential debates between Presidential Barack Obama and Governor Mitt Romney. Some important additions will be taken from contexts that are related to the discourse. This context is the real condition including present situation and history that are known by people.

3.4. Data Analysis Method

The focus of analysis is elaborating power and its relation with rhetorical expertise and linguistics ability. The components of data analysis will be like what is presented in the figure 3.1 that is created by Miles and Huberman (1994: 12) as follow.
Figure 3.1 Components of Data Analysis: Interactive Model

Based on the figure, there are four components of data analysis. The four components are data collection, data reduction, data display and conclusions including drawing and verifying results. As the data collection has been described in the data collecting procedure, the three other components will be described here. The first one is data reduction. According to Miles and Huberman (1994:10), data reduction refers to the process of selecting, focusing, simplifying, abstracting, and transforming the data that appear in written-up field notes or transcriptions. It means that a writer should be able to reduce the data especially the qualitative data into the most essential only.

Concerning the description about data reduction above, several action of reducing the data of this analysis have been taken. They are:

1. Selecting the utterances that indicates linguistic feature of political language.
2. Focusing the analysis on the selected parts and leave the rest.
3. Simplifying the data by grouping them based on their type according to the theoretical frame.

4. Transforming the data into descriptions, explanation, and also elaboration.

The next component is **data display**. According to Miles and Huberman (1994:11), a *display* is an organized, compressed assembly of information that permits conclusion drawing and action. Looking at displays helps us to understand what is happening and to do something –either analyze further or take action- based on that understanding. The most frequent form of display for qualitative data in the past has been extended data. According to Faust in Miles and Huberman (1994:11), extended data can overload human’s information-processing capabilities. That is why in this thesis the data display would be tables as they are designed to assemble organized information into an immediately accessible, compact form so that the analyst can see what is happening and either draw justified conclusions or move on to the next step of analysis the display suggests may be useful.

The last component of analysis activity is **conclusion drawing and verification**. According to Glaser and Strauss in Miles and Huberman (1994:11), the qualitative analyst is beginning to decide what things mean from the start of data collection. Concerning this thought, the writer have figure out several early conclusions such as political language do have their own specific features but final conclusions will be presented in the last chapter of this thesis.
CHAPTER IV

ANALYSIS AND FINDING

4.1 Vocabulary

4.1.1 Rewording and Overwording

The most explicit existence of rewording in those three debates is the way both candidates describe the condition of the United States after President Barack Obama took office and during four years of his presidency. President Barack Obama described his period as the struggling time of America to get out of the mess that happened due to the previous problems and crisis. “When I walked in the Oval Office, I had more than a trillion dollar deficit greeting me, and we know where it came from. Two wars that were paid for on a credit card. Two tax cuts that were not paid for, and a whole bunch of programs that were not paid for. And then a massive economic crisis.” (Obama: 1<sup>st</sup> PD) He was optimistic about the progress have been made by American society and government. It can be seen from his utterances that are quoted in the table below.

<table>
<thead>
<tr>
<th>Wording by President Barack Obama</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. And because of the resilience and the determination of the American people, we've begun to <strong>fight our way back</strong>. (PBO: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td>2. Over the last 30 months, we've seen 5 million jobs in the private sector <strong>created</strong>. The auto industry has come <strong>roaring back</strong> and housing has <strong>begun to rise</strong>. (PBO: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td>3. And we've made <strong>enormous progress</strong> drawing on ideas both from Democrats and Republicans that are already starting to show gains in some of the toughest-to-deal-with schools. (PBO: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td>4. And oil and natural gas production are <strong>higher than they've been</strong> in years.</td>
</tr>
</tbody>
</table>
We created 23 million new jobs. We went from deficit to surplus, and businesses did very well. (PBO: 1<sup>st</sup> PD)

So we've — we've seen progress even under Republican control of the House or Representatives. (PBO: 1<sup>st</sup> PD)

I said we're going to bet on American workers and the American auto industry and it's come surging back. (PBO: 2<sup>nd</sup> PD)

That's why exports have significantly increased under my presidency. (PBO: 2<sup>nd</sup> PD)

From his utterances, we noticed several optimist words such as fight our way back, roaring back, begun to rise, enormour progress, higher than they’ve been, surging back, et cetera.

On the contrary, Governor Mitt Romney described the condition of American society under President Obama’s presidency pesimistically. According to Governor, the situation of the United States was not good at all. “For me, I look at what's happened in the last four years and say this has been a disappointment. We can do better than this. We don't have to settle for, how many months, 43 months with unemployment above 8 percent, 23 million Americans struggling to find a good job right now. There are 3.5 million more women living in poverty today than when the president took office. We don't have to live like this.” (Romney: 2<sup>nd</sup> PD)

Governor Mitt Romney do a rewording to President Barrack Obama’s wording that was very optimist about progress have been made by America. His utterances that are quoted in the table below will show us.

### Rewording by Governor Mitt Romney

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Now, I'm concerned that the path that we're on has just been unsuccessful. (GMR: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
</tbody>
</table>
2. The people who are having the hard time right now are middle-income Americans. Under the president's policies, middle-income Americans have been buried. They're — they're just being crushed. (GMR: 1st PD)

3. It's been crushing. (GMR: 1st PD)

4. Middle-income families are being crushed. (GMR: 1st PD)

5. People in the coal industry feel like it's getting crushed by your policies. (GMR: 1st PD)

6. They're suffering in this country. (GMR: 1st PD)

7. They're getting hurt. (GMR: 1st PD)

8. It has killed jobs. (GMR: 1st PD)

9. We know that the path we're taking is not working. (GMR: 1st PD)

10. And the challenges America faces right now — look, the reason I'm in this race is there are people that are really hurting today in this country, and we face — this deficit could crush the future generations. (GMR: 1st PD)

11. The middle-class has been crushed over the last four years, and jobs have been too scarce. I know what it takes to bring them back, and I'm going to do that, and make sure that when you graduate- (GMR: 2nd PD)

12. And the reason I want middle-income taxpayers to have lower taxes is because middle-income taxpayers have been buried over the past four years. (GMR: 2nd PD)

13. The middle-income families in America have been crushed over the last four years. (GMR: 2nd PD)

14. Because under the last four years, they've been buried. And I want to help people in the middle-class. (GMR: 2nd PD)

15. The middle class is getting crushed under the policies of a president who has not understood what it takes to get the economy working again. (GMR: 2nd PD)

16. I want to make sure that regulators see their job as encouraging small business, not crushing it. (GMR: 2nd PD)

We can see in Governor Mitt Romney’s statements, American Society is described in pesimistic words such as unsuccessful, having a hard time, burried, being crushed,
suffering, hurt, et cetera. These words are conscious opposition to President Barack Obama’s words.

The existence of overwording on this debate is also produced by Governor Mitt Romney.

<table>
<thead>
<tr>
<th>Overwording</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Under the president's policies, middle-income Americans have been buried. (GMR: 1st PD)</td>
</tr>
<tr>
<td>2. They're — they're just being crushed. (GMR: 1st PD)</td>
</tr>
<tr>
<td>3. It's been crushing. (GMR: 1st PD)</td>
</tr>
<tr>
<td>4. People in the coal industry feel like it's getting crushed by your policies. (GMR: 1st PD)</td>
</tr>
<tr>
<td>5. They're suffering in this country. (GMR: 1st PD)</td>
</tr>
<tr>
<td>6. You raise taxes and you kill jobs. (GMR: 1st PD)</td>
</tr>
<tr>
<td>7. I don't want to kill jobs in this environment. (GMR: 1st PD)</td>
</tr>
<tr>
<td>8. They're getting hurt. (GMR: 1st PD)</td>
</tr>
<tr>
<td>9. It's hurt the housing market — (GMR: 1st PD)</td>
</tr>
<tr>
<td>10. Expensive things hurt families. (GMR: 1st PD)</td>
</tr>
<tr>
<td>11. It has killed jobs. (GMR: 1st PD)</td>
</tr>
<tr>
<td>12. And the challenges America faces right now — look, the reason I'm in this race is there are people that are really hurting today in this country, and we face — this deficit could crush the future generations. (GMR: 1st PD)</td>
</tr>
<tr>
<td>13. And the reason I want middle-income taxpayers to have lower taxes is because middle-income taxpayers have been buried over the past four years. (GMR: 2nd PD)</td>
</tr>
<tr>
<td>14. The middle-income families in America have been crushed over the last four years. (GMR: 2nd PD)</td>
</tr>
<tr>
<td>15. Because under the last four years, they've been buried. And I want to help people in the middle-class. (GMR: 2nd PD)</td>
</tr>
</tbody>
</table>
16. The middle class is getting **crushed** under the policies of a president who has not understood what it takes to get the economy working again. (GMR: 2nd PD)

17. I want to make sure that regulators see their job as encouraging small business, not **crushing** it. (GMR: 2nd PD)

From the table above, we can see near-synonyms words such as hurt, crush, kill et cetera are mentioned in a bunch of times. This can mean that Governor Mitt Romney felt that American Society is really in huge problem. On the other hand, this can show us that Governor Mitt Romney tried to build negative image to President Barrack Obama so that the voters will prefer choosing Governor Mitt Romney to President Barack Obama to become the upcoming President of the United States of America.

### 4.1.2 Synonymy, Hyponymy, and Antonymy

There are several synonymy that we could find in the debates. Some of them are mentioned in one single topic. Some of them are even mentioned together in one single sentences to stress the meaning intended by the speaker. The synonymy found in the debates will be summed in the table below.

<table>
<thead>
<tr>
<th>Synonymy</th>
<th>Occurrence in the Sentence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Resilience, Determination</td>
<td>And because of the <strong>resilience</strong> and the <strong>determination</strong> of the American people, we've begun to fight our way back. (PBO: 2nd PD)</td>
</tr>
<tr>
<td>2. Bring down, Lower</td>
<td>That is, I want to <strong>bring down</strong> rates. I want to bring the rates down, at the same time <strong>lower</strong> deductions and exemptions and credits and so forth so we keep getting the revenue we need. (PBO: 1st PD)</td>
</tr>
<tr>
<td>3. Decayed, Fallen apart</td>
<td>And over time, if traditional Medicare has <strong>decayed</strong> or <strong>fallen apart</strong>, then they're stuck. (PBO: 1st PD)</td>
</tr>
<tr>
<td>4. Poor, Lower</td>
<td>I want the kids that are getting federal dollars from IDEA</td>
</tr>
<tr>
<td>Income</td>
<td>or — or Title I — these are disabled kids or — or <strong>poor</strong> kids or — or <strong>lower-income</strong> kids, rather. (GMR: 1st PD)</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>5. Painstaking, Metculous</td>
<td>And it turns out that the work involved in setting up these crippling sanctions is <strong>painstaking</strong>; it's <strong>meticulous</strong>. (PBO: 3rd PD)</td>
</tr>
<tr>
<td>6. Donor, Fundraiser</td>
<td>And when I went to Israel as a candidate, I didn't take <strong>donors</strong>, I didn't attend <strong>fundraisers</strong>. (PBO: 3rd PD)</td>
</tr>
<tr>
<td>7. Chaos, Tumult</td>
<td>I see the Middle East with a rising tide of <strong>violence</strong>, <strong>chaos</strong>, <strong>tumult</strong>. (GMR: 3rd PD)</td>
</tr>
<tr>
<td>8. Popular, Poll-tested</td>
<td>And — and I make that point because that's the kind of clarity of leadership — and those decisions are not always <strong>popular</strong>. Those decisions generally are not <strong>poll-tested</strong>. (PBO: 3rd PD)</td>
</tr>
<tr>
<td>9. Creep, Muddle</td>
<td>But when it came time to making sure that Gadhafi did not stay in power, that he was captured, Governor, your suggestion was that this was mission <strong>creep</strong>, that this was mission <strong>muddle</strong>. (PBO: 3rd PD)</td>
</tr>
</tbody>
</table>

Several hyponyms are found on the debates, just like the table presented below.

<table>
<thead>
<tr>
<th>Hyponyms</th>
<th>Occurrence in the Debates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Business &gt; Electronics business</td>
<td>Now, I talked to a guy who has a very small <strong>business</strong>. He's in the <strong>electronics business</strong> in — in St. Louis. (GMR: 1st PD)</td>
</tr>
<tr>
<td>2. Things</td>
<td>Expensive things hurt families. (GMR: 1st PD)</td>
</tr>
<tr>
<td>3. Government</td>
<td>The first role of the federal government is to keep the American people safe. (PBO: 1st PD)</td>
</tr>
<tr>
<td>4. Renewables</td>
<td>Look, I want to make sure we use our oil, our coal, our gas, our nuclear, our renewables. I believe very much in our renewable capabilities; ethanol, wind, solar will be an important part of our energy mix. (GMR: 2nd PD)</td>
</tr>
</tbody>
</table>
There are also several contrasted words or antonymy found in the debates.

They are going to be put in the table.

<table>
<thead>
<tr>
<th>Antonymy</th>
<th>Occurrence in the Debates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Started &gt;&gt; Ended</td>
<td>She worked her way up, only had a high school education, <strong>started</strong> as a secretary, <strong>ended</strong> up being the vice president of a local bank. (PBO: 1st PD)</td>
</tr>
<tr>
<td>2. Reduce &gt;&gt; Add</td>
<td>And that's why independent studies looking at this said the only way to meet Governor Romney's pledge of not <strong>reducing</strong> the deficit — or — or — or not <strong>adding</strong> to the deficit, is by burdening middle-class families. (GMR: 1st PD)</td>
</tr>
<tr>
<td>3. Deficit &gt;&gt; Surplus</td>
<td>But I have said that for incomes over $250,000 a year that we should go back to the rates that we had when Bill Clinton was president, when we created 23 million new jobs, went from <strong>deficit</strong> to <strong>surplus</strong> and created a whole lot of millionaires to boot. (PBO: 1st PD)</td>
</tr>
<tr>
<td>4. Younger &gt;&gt; Older</td>
<td>But there's still a problem, because what happens is those insurance companies are pretty clever at figuring out who are the <strong>younger</strong> and <strong>healthier</strong> seniors. They recruit them leaving the <strong>older</strong>, <strong>sicker</strong> seniors in Medicare. (PBO: 1st PD)</td>
</tr>
<tr>
<td>5. Healthier &gt;&gt; Sicker</td>
<td>So what — what we need to do with respect to the Middle East is strong, <strong>steady</strong> leadership, not wrong and <strong>reckless</strong> leadership that is all over the map. (PBO: 3rd PD)</td>
</tr>
</tbody>
</table>

4.1.3 Euphemism

On the three debates, we couldn’t find any euphlimistic words but we did find some terms that are formed and become famous in the debates. They are summed in the table below.
<table>
<thead>
<tr>
<th>Term</th>
<th>Meaning</th>
<th>Occurrence in the Debates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obamacare</td>
<td>Affordable Care Act</td>
<td>And if not, I'll get rid of it. &quot;Obamacare&quot; is on my list. I apologize, Mr. President. I use that term with all respect. (GMR: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Benefits were not affected at all and ironically if you repeal &quot;Obamacare&quot; — and I have become fond of this term, &quot;Obamacare&quot; — (laughter) — if you repeal it, what happens is those seniors right away are going to be paying $600 more in prescription care. (PBO: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>And let me tell you exactly what &quot;Obamacare&quot; did. (PBO: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td>Apology Tour</td>
<td>The Governor Mitt Romney’s assumption of</td>
<td>The president's policies throughout the Middle East began with an apology tour and -- and -- and pursue a strategy of leading from behind, and this strategy is unraveling before our very eyes. (GMR: 2&lt;sup&gt;nd&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td></td>
<td>President Barack Obama went to various  nation, apologizing.</td>
<td>And then the president began what I've called an apology tour of going to — to various nations in the Middle East and — and criticizing America. (GMR: 3&lt;sup&gt;rd&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number two, Mr. President, the reason I call it an apology tour is because you went to the Middle East and you flew to — to Egypt and to Saudi Arabia and to — to Turkey and Iraq. And — and by way, you skipped Israel, our closest friend in the region, but you went to the other nations. (GMR: 3&lt;sup&gt;rd&lt;/sup&gt; PD)</td>
</tr>
</tbody>
</table>

There are only “famous self-formulated” terms in the three debates and both of them are created by Governor Mitt Romney. The two terms also becomes famous and were used in those three debates by the either the candidates or the moderator. The first term is “Obamacare”. This term refers to Affordable Care Act that is some kind of Insurance from Government under President Barack Obama’s presidency.
According to Governor Mitt Romney, “Obamacare” is not affordable to the middle and low income families. That is why he said that we will replace it in the day one he become a president. The (plan of) replacing “Obamacare” symbolically shows that Governor Mitt Romney really want to replace President Barack Obama. This can be seen from the first time he created the term but then said that he will replace it.

The next term, apology tour, is also produced by Governor Mitt Romney to, obviously, create a negative image of President Barack Obama whom described as a person that make American Government weak in front of International leaders.

### 4.1.4 Formality

Since it is a formal occasion where formality is one of the requirements, formal language that is used by all of the participants during the debates is actually normal. But the situation is not very restricted. There are still jokes or several other utterances that are actually not formal. They are going to be put in the table below.

<table>
<thead>
<tr>
<th>President Barack Obama’s Utterances</th>
<th>Governor Mitt Romney</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. And so I just want to wish, Sweetie, you happy anniversary and let you know that a year from now, we will not be celebrating it in front of 40 million people. (PBO: 1st PD)</td>
<td>And congratulations to you, Mr. President, on your anniversary. I'm sure this was the most romantic place you could imagine here — here with me, so I — congratulations. (GMR: 1st PD)</td>
</tr>
<tr>
<td>2. No, I — I think I've — I had five seconds before you interrupted me. (PBO: 1st PD)</td>
<td>Mr. — Mr. President, you're entitled, as the president, to your own airplane and to your own house, but not to your own facts. (GMR: 1st PD)</td>
</tr>
<tr>
<td>3. GMR: Mr. President, have you looked at your pension? PBO: You know, I -- I don't look at my pension. It's not as big as yours so it doesn't take as long. (GMR and PBO: 2nd PD)</td>
<td></td>
</tr>
</tbody>
</table>
Looking at the utterances at the table, we can see that the debates are not really formal and restricted although they are actually a formal occasion. This can also show us the different side of both candidates, especially President Barack Obama. Both of them seem to have quite a sense of humor.

4.1.5 Metaphor

Using metaphor has become very common in political language. As what we’ve expected, several metaphors are found in the debates.

<table>
<thead>
<tr>
<th>Metaphor</th>
<th>Existence in debate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Path</td>
<td>A course of conduct</td>
</tr>
<tr>
<td></td>
<td>Now, it ultimately is going to be up to the voters, to you, which <strong>path</strong> we should take. (PBO: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td></td>
<td>Now, I'm concerned that the <strong>path</strong> that we're on has just been unsuccessful. (GMR: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td></td>
<td>We know that the <strong>path</strong> we're taking is not working. It's time for a new <strong>path</strong>. (GMR: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td></td>
<td>And there really are two very different <strong>paths</strong> that we began speaking about this evening. (GMR: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td></td>
<td>We'll talk about those two <strong>paths</strong>. But they lead in very different directions. (GMR: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td></td>
<td>And President Bush has a very different <strong>path</strong> for a very different time. My <strong>path</strong> is designed in getting small businesses to grow and hire people. (GMR: 2&lt;sup&gt;nd&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td></td>
<td>The kids of those that came here illegally, those kids, I think, should have a <strong>pathway</strong> to become a permanent resident of the United States and military service, for instance, is one way they would have that kind of <strong>pathway</strong> to become a permanent resident. (GMR: 2&lt;sup&gt;nd&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td>2. Cornerstone</td>
<td>The fundamental assumptions from which something is</td>
</tr>
<tr>
<td></td>
<td>Those are the — the <strong>cornerstones</strong> of my plan. (GMR: 2&lt;sup&gt;nd&lt;/sup&gt; PD)</td>
</tr>
</tbody>
</table>
begun, developed, calculated or explained

4.2 Grammar

4.2.1 Agency

Agencies in these debates, just like in general, are mostly animate. Several animate agents are dropped into the table below.

<table>
<thead>
<tr>
<th>Agents</th>
<th>Occurrence in the Sentences</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Governor Romney and I</td>
<td>On energy, Governor Romney and I, we both agree that we've got to boost American energy production. (PBO: 1st PD)</td>
</tr>
<tr>
<td>2. I</td>
<td>I want to lower spending and encourage economic growth at the same time. (GMR: 1st PD)</td>
</tr>
<tr>
<td>3. My grandmother</td>
<td>My grandmother died three days before I was elected president. (PBO: 1st PD)</td>
</tr>
<tr>
<td>4. You</td>
<td>Mr. — Mr. President, you're entitled, as the president, to your own airplane and to your own house, but not to your own facts — (laughter) — all right? (GMR: 1st PD)</td>
</tr>
</tbody>
</table>

On the other hand, there are also inanimate agents like the ones that are put in the table below.

<table>
<thead>
<tr>
<th>Agents</th>
<th>Occurrence in the Sentences</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gasoline Prices</td>
<td>The same time, gasoline prices have doubled under the president, electric rates are up, food prices are up, health care costs have gone up by $2,500 a family. (GMR: 1st PD)</td>
</tr>
<tr>
<td>2. Math, common sense and our history</td>
<td>But I think math, common sense and our history shows us that's not a recipe for job growth. (PBO: 1st PD)</td>
</tr>
</tbody>
</table>
### 4.2.3 Active and Passive sentences

<table>
<thead>
<tr>
<th>Sentences</th>
<th>President Barack Obama</th>
<th>Governor Mitt Romney</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Active</strong></td>
<td>1. The auto industry was on the brink of collapse. (PBO: 1st PD)</td>
<td>My plan has five basic parts. (GMR: 1st PD)</td>
</tr>
<tr>
<td></td>
<td>2. But I have said that for incomes over $250,000 a year that we should go back to the rates that we had when Bill Clinton was president, when we created 23 million new jobs, went from deficit to surplus and created a whole lot of millionaires to boot. (PBO: 1st PD)</td>
<td>Jim, I had the great experience — it didn't seem like it at the time — of being elected in a state where my legislature was 87 percent Democrat, and that meant I figured out from day one I had to get along and I had to work across the aisle to get anything done. (GMR: 1st PD)</td>
</tr>
<tr>
<td></td>
<td>3. He wanted to take them into bankruptcy without providing them any way to stay open. (PBO: 2nd PD)</td>
<td>Look, I want to make sure we use our oil, our coal, our gas, our nuclear, our renewables. (GMR: 2nd PD)</td>
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<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td>---</td>
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</tr>
<tr>
<td>4.</td>
<td>So four years ago I stood on a stage just like this one. (PBO: 2nd PD)</td>
<td>And let me tell you, you're absolutely right about part of that, which is I want to bring the rates down, I want to simplify the tax code, and I want to get middle-income taxpayers to have lower taxes. (GMR: 2nd PD)</td>
</tr>
<tr>
<td>5.</td>
<td>They have to make sure that they're cooperating with us when it comes to counterterrorism. (PBO: 3rd PD)</td>
<td>We need to have strong allies. (GMR: 3rd PD)</td>
</tr>
<tr>
<td>6.</td>
<td>We've seen progress and gains in schools that were having a terrible time, and they're starting to finally make progress. (PBO: 3rd PD)</td>
<td>We want to end those conflicts to the extent humanly possible. (GMR: 3rd PD)</td>
</tr>
<tr>
<td><strong>Passive Sentences</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Two wars that were paid for on a credit card. (PBO: 1st PD)</td>
<td>Under the president's policies, middle-income Americans have been buried. (GMR: 1st PD)</td>
</tr>
<tr>
<td>2.</td>
<td>And, you know, I was raised by a single mom who had to put herself through school while looking after two kids. (PBO: 2nd PD)</td>
<td>Dodd-Frank was passed. (GMR: 1st PD)</td>
</tr>
<tr>
<td>3.</td>
<td>And as a consequence, al-Qaeda's core leadership has been decimated. (PBO: 3rd PD)</td>
<td>Massachusetts, our schools are ranked number one of all 50 states. (GMR: 1st PD)</td>
</tr>
<tr>
<td>4.</td>
<td>And that is not reflected in the kind of budget that you're putting forward, because it just don't work. (PBO: 3rd PD)</td>
<td>20 or 25 birds were killed and brought out a migratory bird act to go after them on a criminal basis. (GMR: 2nd PD)</td>
</tr>
<tr>
<td>5.</td>
<td>And for the next decade she was haunted by that conversation. (PBO: 3rd PD)</td>
<td>And the reason I want middle-income taxpayers to have lower taxes is because middle-income taxpayers</td>
</tr>
</tbody>
</table>

Universitas Sumatera Utara
have been buried over the past four years. (GMR: 1st PD)

### 4.2.4 Positive and Negative Sentences

<table>
<thead>
<tr>
<th>Candidates Sentences</th>
<th>President Barack Obama</th>
<th>Governor Mitt Romney</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I think we've got to invest in education and training. (PBO: 1st PD)</td>
<td>I'd like to clear up the record and go through it piece by piece. (GMR: 1st PD)</td>
<td></td>
</tr>
<tr>
<td>2. They can buy a computer for their kid who's going off to college, which means they're spending more money, businesses have more customers, businesses make more profits and then hire more workers. (PBO: 1st PD)</td>
<td>I'm going to make sure we continue to burn clean coal. (GMR: 1st PD)</td>
<td></td>
</tr>
<tr>
<td>3. It also means we're helping them and small businesses to export all around the world to new markets. (PBO: 2nd PD)</td>
<td>So when you say that I wanted to take the auto industry bankrupt, you actually did. (GMR: 2nd PD)</td>
<td></td>
</tr>
<tr>
<td>4. And we need to win that future and I intend to win it as President of the United States. (PBO: 2nd PD)</td>
<td>People grabbed my arms and said, &quot;Please save my job.&quot; (GMR: 2nd PD)</td>
<td></td>
</tr>
<tr>
<td>5. We have provided humanitarian assistance, and we are helping the opposition organize, and we're particularly interested in making sure that we're mobilizing the moderate forces inside of</td>
<td>And I want to make sure they get armed and they have the arms necessary to defend themselves but also to remove — to remove Assad. (GMR: 3rd PD)</td>
<td></td>
</tr>
<tr>
<td>Negative Sentences</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td>-------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>6. The clock is ticking. (PBO: 3\textsuperscript{rd} PD)</td>
<td>I see jihadists continuing to spread. (GMR: 3\textsuperscript{rd} PD)</td>
<td></td>
</tr>
<tr>
<td>1. That is not a recipe for growth; that's not how America was built. (PBO: 1\textsuperscript{st} PD)</td>
<td>Look, I'm not looking to cut massive taxes and to reduce the — the revenues going to the government. (GMR: 1\textsuperscript{st} PD)</td>
<td></td>
</tr>
<tr>
<td>2. So — so this is not this is not the kind of policy you want to have if you want to get America energy-secure. (PBO: 1\textsuperscript{st} PD)</td>
<td>So if you're 60 or around 60 or older, you don't need to listen any further. (GMR: 1\textsuperscript{st} PD)</td>
<td></td>
</tr>
<tr>
<td>3. Candy, what Governor Romney said just isn't true. (PBO: 2\textsuperscript{nd} PD)</td>
<td>It's not going to be like the last four years. (GMR: 2\textsuperscript{nd} PD)</td>
<td></td>
</tr>
<tr>
<td>4. And I'm not going to cede those jobs of the future to those countries. (PBO: 2\textsuperscript{nd} PD)</td>
<td>But what we don't need is to have the president keeping us from taking advantage of oil, coal and gas. (GMR: 2\textsuperscript{nd} PD)</td>
<td></td>
</tr>
<tr>
<td>5. No, I don't because I think that America has to stand with democracy. (PBO: 3\textsuperscript{rd} PD)</td>
<td>Well, of course I don't concur with what the president said about my own record and the things that I've said. (GMR: 3\textsuperscript{rd} PD)</td>
<td></td>
</tr>
<tr>
<td>6. It's not driven by members of Congress and what they would like to see. (PBO: 3\textsuperscript{rd} PD)</td>
<td>No, it's not time to divorce a nation on earth that has a hundred nuclear weapons and is on the way to double that at some point, a nation that has serious threats from terrorist groups within its nation — as I indicated before, the Taliban, Haqqani network. (GMR: 3\textsuperscript{rd} PD)</td>
<td></td>
</tr>
</tbody>
</table>
4.2.5 Modes

Among the three types of modes, the most dominant mode is declarative and there are no systematic asymmetries in the distribution of modes between the candidates because their turns were actually formulated. The utterances of both candidates of different modes will be presented in the table below.

<table>
<thead>
<tr>
<th>Modes</th>
<th>President Barack Obama’s Utterances</th>
<th>Governor Mitt Romney’s Utterances</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Declaratives</strong></td>
<td>1. There are a lot of points that I want to make tonight, but the most important one is that 20 years ago I became the luckiest man on earth because Michelle Obama agreed to marry me. (PBO: 1st PD)</td>
<td>I’ve had the occasion over the last couple of years of meeting people across the country. (GMR: 1st PD)</td>
</tr>
<tr>
<td></td>
<td>2. Jeremy, first of all, your future is bright and the fact that you're making an investment in higher education is critical. (PBO: 2nd PD)</td>
<td>Your question -- your question is one that's being asked by college kids all over this country. (GMR: 2nd PD)</td>
</tr>
<tr>
<td></td>
<td>3. We have seen increases in coal production and coal employment. (PBO: 2nd PD)</td>
<td>Let me mention something else the president said. (GMR: 2nd PD)</td>
</tr>
<tr>
<td><strong>Grammatical Question</strong></td>
<td>1. This is for Governor Romney? (PBO: 2nd PD)</td>
<td>And you think, well, then why lower the rates? (GMR: 1st PD)</td>
</tr>
<tr>
<td></td>
<td>2. Was it Lorranna? (PBO: 2nd PD)</td>
<td>It's fun, isn't it? (GMR: 1st PD)</td>
</tr>
<tr>
<td></td>
<td>3. I'm sorry, what's your name? (PBO: 2nd PD)</td>
<td>Mr. President, have you looked at your pension? (GMR: 2nd PD)</td>
</tr>
<tr>
<td><strong>Imperative</strong></td>
<td>1. Let's talk about corporate taxes. (PBO: 1st PD)</td>
<td>Let's grade them. (GMR: 1st PD)</td>
</tr>
<tr>
<td></td>
<td>2. Let me just say one final example. (PBO: 1st PD)</td>
<td>Well, let's look at the president's policies. (GMR: 2nd PD)</td>
</tr>
</tbody>
</table>
### 4.2.6 Pronoun (We)

Both of the candidates used the four types of pronoun *we*. The types of pronoun *we* will be differentiated in the table.

<table>
<thead>
<tr>
<th>Types of Pronoun</th>
<th>President Barack Obama</th>
<th>Governor Mitt Romney</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>we</em>(I)</td>
<td>1. You know, four years ago we went through the worst financial crisis since the Great Depression. (PBO: 1\textsuperscript{st} PD)</td>
<td>We're far away from that now. (GMR: 1\textsuperscript{st} PD)</td>
</tr>
<tr>
<td></td>
<td>2. Are we going to double down on the top-down economic policies that helped to get us into this mess, or do we embrace a new economic patriotism that says, America does best when the middle class does best? (PBO: 1\textsuperscript{st} PD)</td>
<td>We still have trillion- dollar deficits. (GMR: 1\textsuperscript{st} PD)</td>
</tr>
<tr>
<td><em>we</em>(?)</td>
<td>1. We've got a program called Race to the Top that has prompted reforms in 46 states around the country, raising standards, improving how we train teachers. (PBO: 1\textsuperscript{st} PD)</td>
<td>And if we lower that rate, they will be able to hire more people. (GMR: 1\textsuperscript{st} PD)</td>
</tr>
<tr>
<td></td>
<td>2. We created 23 million new jobs. We went from deficit to surplus, and businesses did very well. (PBO: 1\textsuperscript{st} PD)</td>
<td>So how do we deal with it? Well, mathematically there are — there are three ways that you can cut a deficit. (GMR: 1\textsuperscript{st} PD)</td>
</tr>
<tr>
<td></td>
<td>1. We cut taxes for middle-</td>
<td>We agree. (GMR: 1\textsuperscript{st} PD)</td>
</tr>
</tbody>
</table>
class families by about $3,600. (PBO: 1st PD)

2. And despite that, what we've said is, yes. (PBO: 1st PD)

Now, you point out, well, we're putting some back; we're going to give a better prescription program. (GMR: 1st PD)

1. I think it's important for us to develop new sources of energy here in America, that we change our tax code to make sure that we're helping small businesses and companies that are investing here in the United States. (PBO: 1st PD)

We didn't cut Medicare. Of course, we don't have Medicare, but we didn't cut Medicare by $716 billion. (GMR: 1st PD)

2. Why wouldn't we eliminate tax breaks for corporate jets? (PBO: 1st PD)

We didn't put in place a board that can tell people ultimately what treatments they're going to receive. (GMR: 1st PD)

4.3 Textual Structures

4.3.1 Formulation

**Formulation by President Barack Obama**

1. Governor Romney has a perspective that says if we cut taxes, skewed towards the wealthy, and roll back regulations that we'll be better off. (PBO: 1st PD)

2. And this is where there's a difference because Governor Romney's central economic plan calls for a $5 trillion tax cut, on top of the extension of the Bush tax cuts, so that's another $2 trillion, and $2 trillion in additional military spending that the military hasn't asked for. That's $8 trillion. (PBO: 1st PD)

3. Now, Governor Romney's proposal that he has been promoting for 18 months calls for a $5 trillion tax cut on top of $2 trillion of additional spending for our military. (PBO: 1st PD)

4. When you add up all the loopholes and deductions that upper income individuals can — are currently taking advantage of — if you take those all away — you don't come close to paying for $5 trillion in tax cuts and $2
5. If you believe that we can cut taxes by $5 trillion and add $2 trillion in additional spending that the military is not asking for — $7 trillion, just to give you a sense, over 10 years that's more than our entire defense budget — and you think that by closing loopholes and deductions for the well-to-do, somehow you will not end up picking up the tab, then Governor Romney's plan may work for you. (PBO: 1<sup>ST</sup> PD)

6. Look, the cost of lowering rates for everybody across the board, 20 percent. Along with what he also wants to do in terms of eliminating the estate tax, along what he wants to do in terms of corporates, changes in the tax code, it costs about $5 trillion. Governor Romney then also wants to spend $2 trillion on additional military programs even though the military's not asking for them. That's $7 trillion. He also wants to continue the Bush tax cuts for the wealthiest Americans. That's another trillion dollars — that's $8 trillion. (PBO: 2<sup>nd</sup> PD)

<table>
<thead>
<tr>
<th>Denial by Governor Mitt Romney</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong> First of all, I don't have a $5 trillion tax cut. I don't have a tax cut of a scale that you're talking about. (GMR: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td><strong>2.</strong> So — so if — if the tax plan he described were a tax plan I was asked to support, I'd say absolutely not. I'm not looking for a $5 trillion tax cut. (GMR: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td><strong>3.</strong> I will not reduce the share paid by high-income individuals. I — I know that you and your running mate keep saying that, and I know it's a popular things to say with a lot of people, but it's just not the case. Look, I got five boys. I'm used to people saying something that's not always true, but just keep on repeating it and ultimately hoping I'll believe it — (scattered laughter) — but that — that is not the case, all right? I will not reduce the taxes paid by high-income Americans. (GMR: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td><strong>4.</strong> I will not, under any circumstances, raise taxes on middle-income families. I will lower taxes on middle-income families. (GMR: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
<tr>
<td><strong>5.</strong> Let me — let me repeat — let me repeat what I said — (inaudible). I'm not in favor of a $5 trillion tax cut. That's not my plan. My plan is not to put in place any tax cut that will add to the deficit. That's point one. So you may keep referring to it as a $5 trillion tax cut, but that's not my plan. (GMR: 1&lt;sup&gt;st&lt;/sup&gt; PD)</td>
</tr>
</tbody>
</table>
On the first debate, every time President Barack Obama brought out this calculation, Governor Romney always rejected the idea and clarified it as soon as he got the chance. The interesting part is that when President Barack Obama brought out this calculation once again in the second debate, Governor Mitt Romney didn’t reject it as usual. In the contrary, he then brought out other thing that he assumed to be President Barack Obama’s failure. This might mean that the formulation that has been done by President Barack Obama worked or the calculation was true from the beginning.

4.3.2 Interruption

<table>
<thead>
<tr>
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<th>President Barack Obama</th>
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| 1. | JL: Mr. President, I'm sorry —  
  PBO: And that is not a right strategy for us to move forward.  
  JL: Way over the two minutes.  
  PBO: Sorry. |
| 2. | JL: We'll talk about that in a minute.  
  PBO: — but — but overall.  
  JL: Go. OK.  
  PBO: And so —  
  GMR: That's — that's a big topic. Could we — could we stay on Medicare?  
  PBO: Is that a — is that a separate topic? I'm sorry. |
| 3. | JL: Two minutes —  
  PBO: — before —  
  JL: Two minutes is up, sir.  
  PBO: No, I — I think I've — I had five seconds before you interrupted me — was — (laughter) — that the irony is that we've seen this model work really well in Massachusetts, because Governor Romney did a good thing, working with Democrats in the state to set up what is essentially the identical model. And as a consequence, people are covered there. It hasn't destroyed jobs. And as a consequence, we now have a system in which we have the opportunity to start bringing down cost, as opposed to just —  
  JL: Your five —  
  PBO: — leaving millions of people out in the cold.  
  JL: Your five seconds went away a long time ago. (Laughter.)  
  PBO: That —  
  JL: All right, Governor. Governor, tell the — tell the president
directly why you think what he just said is wrong about "Obamacare."

GMR : Well, I did with my first statement.
PBO : You did.
GMR : But I'll go on.
PBO : Please elaborate.
GMR : I'll elaborate. Exactly right.

(1st PD)

4. GMR : But that's not what you've done in the last four years. That's the problem. In the last four years, you cut permits and licenses on federal land and federal waters in half.
PBO : Not true, Governor Romney.
GMR : So how much did you cut (inaudible)?
PBO : Not true.
GMR : How much did you cut them by, then?
PBO : Governor, we have actually produced more oil –
GMR : No, no. How much did you cut licenses and permits on federal land and federal waters?
PBO : Governor Romney, here's what we did. There were a whole bunch of oil companies.

(CROSSTALK)

GMR : No, no, I had a question and the question was how much did you cut them by?
PBO : You want me to answer a question –
GMR : How much did you cut them by?
PBO : I'm happy to answer the question.
GMR : All right. And it is –
PBO : Here's what happened. You had a whole bunch of oil companies who had leases on public lands that they weren't using. So what we said was you can't just sit on this for 10, 20, 30 years, decide when you want to drill, when you want to produce, when it's most profitable for you. These are public lands. So if you want to drill on public lands, you use it or you lose it.
GMR : OK, (inaudible) –
PBO : And so what we did was take away those leases. And we are now reletting them so that we can actually make a profit.
GMR : And production on private -- on government land –
PBO : Production is up.
GMR : -- is down.
PBO : No, it isn't.
GMR : Production on government land of oil is down 14 percent.
PBO : Governor –
GMR : And production on gas –

(CROSSTALK)

GMR : It's just not true.
PBO : It's absolutely true. Look, there's no question but the people recognize that we have not produced more (inaudible) on federal lands and in federal waters. And coal, coal production is not up; coal jobs are not up.
I was just at a coal facility, where some 1,200 people lost their jobs. The right course for America is to have a true all-of-the-above policy. I don't think anyone really believes that you're a person who's going to be pushing for oil...
and gas and coal. You'll get your chance in a moment. I'm still speaking.

PBO : Well –
GMR : And the answer is I don't believe people think that's the case –
PBO : -- (inaudible).
GMR : That wasn't the question.
PBO : OK.
GMR : That was a statement. I don't think the American people believe that. I will fight for oil, coal and natural gas. And the proof, the proof of whether a strategy is working or not is what the price is that you're paying at the pump. If you're paying less than you paid a year or two ago, why, then, the strategy is working. But you're paying more. When the president took office, the price of gasoline here in Nassau County was about $1.86 a gallon. Now, it's $4.00 a gallon. The price of electricity is up.

(2nd PD)

5. GMR : Thank you. And I appreciate that question. I just want to make sure that, I think I was supposed to get that last answer, but I want to point out that that I don't believe...
PBO : I don't think so, Candy.
GMR : ... I don't believe...
PBO : I want to make sure our timekeepers are working here.
GMR : The time -- the time...
CC : OK. The timekeepers are all working. And let me tell you that the last part, it's for the two of you to talk to one another, and it isn't quite as (inaudible) you think. But go ahead and use this two minutes any way you'd like to, the question is on the floor.
GMR : I'd just note that I don't believe that bureaucrats in Washington should tell someone whether they can use contraceptives or not. And I don't believe employers should tell someone whether they could have contraceptive care of not. Every woman in America should have access to contraceptives. And -- and the -- and the president's statement of my policy is completely and totally wrong.
PBO : Governor...
GMR : Let me come back and -- and answer your question.

(2nd PD)

6. GMR : Let me mention something else the president said. It was a moment ago and I didn't get a chance to, when he was describing Chinese investments and so forth.
PBO : Candy?
Hold on a second. The...
GMR : Mr. President, I'm still speaking.
(CROSSTALK)
GMR : Mr. President, let me finish.
(CROSSTALK)
GMR : I've gotta continue.
(CROSSTALK)
CC : Governor Romney, you can make it short. See all these people? They've been waiting for you. (inaudible) make it short (inaudible).
GMR : Just going to make a point. Any investments I have over the last
eight years have been managed by a blind trust. And I understand they do include investments outside the United States, including in -- in Chinese companies.

Mr. President, have you looked at your pension? Have you looked at your pension?

PBO : I've got to say...

GMR : Mr. President, have you looked at your pension?

PBO : You know, I -- I don't look at my pension. It's not as big as yours so it doesn't take as long.

GMR : Well, let me give you some advice.

PBO : I don't check it that often.

GMR : Let me give you some advice. Look at your pension. You also have investments in Chinese companies. You also have investments outside the United States. You also have investments through a Cayman's trust.

(CROSSTALK)

CC : We're way off topic here, Governor Romney.

(CROSSTALK)

PBO : I thought we were talking about immigration.

(CROSSTALK)

PBO : I do want to make sure that...

CC : If I could have you sit down, Governor Romney. Thank you.

7. GMR : This -- the administration -- the administration indicated this was a reaction to a video and was a spontaneous reaction.

CC : It did.

GMR : It took them a long time to say this was a terrorist act by a terrorist group. And to suggest -- am I incorrect in that regard, on Sunday, the -- your secretary --

PBO : Candy?

GMR : Excuse me. The ambassador of the United Nations went on the Sunday television shows and spoke about how --

PBO : Candy, I'm --

GMR : -- this was a spontaneous --

CC : Mr. President, let me --

PBO : I'm happy to have a longer conversation --

CC : I know you --

PBO : -- about foreign policy.

CC : Absolutely. But I want to -- I want to move you on and also --

PBO : OK. I'm happy to do that, too.

CC : -- the transcripts and --

PBO : I just want to make sure that --

CC : -- figure out what we --

PBO : -- all of these wonderful folks are going to have a chance to get some of their questions answered.

CC : Because what I -- what I want to do, Mr. President, stand there a second, because I want to introduce you to Nina Gonzalez, who brought up a question that we hear a lot, both over the Internet and from this crowd.

(2nd PD)

8. CC : Mr. President, I have to -- I have to move you along here. You
said you wanted to...

(CROSSTALK)
CC : We need to do it here.
PBO : But -- but it'll -- it'll -- it'll be...

(CROSSTALK)
PBO : ... just one second.
CC : One...
PBO : Because -- because this is important. This is part of the choice in this election.

When Governor Romney was asked whether teachers, hiring more teachers was important to growing our economy, Governor Romney said that doesn't grow our economy.

When -- when he was asked would class size...

(CROSSTALK)
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CC : One...
PBO : Because -- because this is important. This is part of the choice in this election.
GMR: That was your posture. That was my posture as well. I thought it should have been 5,000 troops.

PBO: Governor —

GMR: I thought it should have been more troops. But you — (inaudible).

PBO: This is just a few weeks ago.

GMR: The answer was, we got no troop (through ?) whatsoever.

PBO: This is just a few weeks ago that you indicated that we should still have troops in Iraq.

GMR: No, I didn't. I'm sorry, that's —

PBO: You made a major speech.

GMR: I indicated — I indicated that you failed to put in place a status of forces agreement at the end of the conflict that —

BS: Governor —

PBO: Governor, here's — here's one thing — here's one thing — here's one thing I've learned as commander in chief.

BS: Let him have — (inaudible).

PBO: You've got to be clear, both to our allies and our enemies, about where you stand and what you mean. Now, you just gave a speech a few weeks ago in which you said we should still have troops in Iraq. That is not a recipe for making sure that we are taking advantage of the opportunities and meeting the challenges of the Middle East.

10. GMR: — just about education, because I'm — I'm so proud of the state that I had the chance to be governor of. We have, every two years, tests that look at how well our kids are doing. Fourth graders and eighth graders are tested in English and math. While I was governor, I was proud that our fourth graders came out number one of all 50 states in English and then also in math, and our eighth graders number one in English and also in math — first time one state had been number one in all four measures. How did we do that? Well, Republicans and Democrats came together on a bipartisan basis to put in place education principles that focused on having great teachers in the classroom. And that was —

PBO: Ten years earlier —

GMR: That was — that was what allowed us to become the number one state in the nation. And this is — and we were —

PBO: But that was 10 years before you took office.

GMR: And we — absolutely.

BS: Gentlemen —

PBO: And then you cut education spending when you came into office.

GMR: The first — the first — and we kept our schools number one in the nation. They're still number one today. And the principles that we've put in place — we also gave kids not just a graduation exam that — that determined whether they were up to the skills needed to — to be able to compete, but also, if they graduated in the top quarter of their class, they got a four-year tuition-free ride at any Massachusetts public institution of higher learning.

PBO: That happened — that happened before you came into office.

BS: Governor —

GMR: That was actually mine, actually, Mr. President. You got that fact wrong.
11. GMR: And fortunately the president picked —
   PBO: Governor Romney, that's not what you said.
   GMR: Fortunately, the president — you can take — you can take a look at the op-ed.
   PBO: Governor, you did not —
   GMR: You can take a look at the op-ed.
   PBO: You did not say that you would provide, Governor, help.
   GMR: You know, I'm — I'm still speaking. I said that we would provide guarantees and — and that was what was able to allow these companies to go through bankruptcy, to come out of bankruptcy. Under no circumstances would I do anything other than to help this industry get on its feet. And the idea that has been suggested that I would liquidate the industry — of course not. Of course not.
   PBO: Let's check the record.
   GMR: That's the height of silliness.
   PBO: Let's — let's check the record.
   GMR: I have never said I would — I would liquidate the industry. I want to keep the industry growing and thriving.
   PBO: Governor, the people in Detroit don't forget.
   GMR: And — and that's I have the kind of commitment to make sure that our industries in this country can compete and be successful. We in this country can compete successfully with anyone in the world. And we're going to. We're going to have a president, however, that doesn't think that somehow the government investing in — in car companies like Tesla and — and Fisker, making electric battery cars — this is not research, Mr. President. These are the government investing in companies, investing in Solyndra. This is a company. This isn't basic research. I — I want to invest in research. Research is great. Providing funding to universities and think tanks — great. But investing in companies? Absolutely not. That's the wrong way to go.
   PBO: Governor, the fact of the matter is —
   GMR: I'm still speaking.
   PBO: Well — (chuckles) —
   GMR: So I want to make sure that we make — we make America more competitive —
   PBO: Yeah.
   GMR: — and that we do those things that make America the most attractive place in the world for entrepreneurs, innovators, businesses to grow. But your investing in companies doesn't do that. In fact it makes it less likely for them to come here —
   PBO: All right, Governor —
   GMR: — because the private sector's not going to invest in a — in a — in a solar company if —
   PBO: I'm happy — I'm — I'm — I'm happy to respond —
   GMR: — if you're investing government money and someone else's.
   PBO: You've held the floor for a while. The — look, I think anybody out there can check the record. Governor Romney, you keep on trying to, you know, airbrush history here.
   You were very clear that you would not provide government assistance to the
U.S. auto companies even if they went through bankruptcy. You said that they could get it in the private marketplace. That wasn't true. They would have gone through a —

GMR : You're wrong. You're wrong, Mr. President.
PBO : I — no, I am not wrong.
GMR : You're wrong.
PBO : I am not wrong. And —
GMR : People can look it up. You're right.
PBO : People will look it up.
GMR : Good.
PBO : But more importantly, it is true that in order for us to be competitive, we're going to have to make some smart choices right now.

(3rd PD)

There are several times when President Barack Obama interrupted the speech of Governor Mitt Romney or the moderator of the debates. This part also includes the time when President Barack Obama still spoke for the next several seconds even though the time was up. By paying attention to his interruption, we notice several things. The first one is that every time he ran out of time, he would apologize or asking for additional time using humorous expression. The second one was that President Barack Obama interrupted Governor Mitt Romney for clarifying the information directly and immediately.

Governor Mitt Romney

1. JL : OK. (Inaudible) —
   GMR : Jim, the president began this segment, so I think I get the last word, so I'm going to take it. All right? (Chuckles.)
   JL : Well, you're going to get the first word in the next segment.
   GMR : Well, but — but he gets the first word of that segment. I get the last word of that segment, I hope. Let me just make this comment.
   PBO : (Chuckles.) He can — you can have it. He can —
   GMR : First of all —
   JL : That's not how it works.

(1st PD)

2. JL : Let's let him answer the taxes thing for a moment, OK?
   GMR : OK.
   JL : Mr. President.
   PBO : Well, we've had this discussion before.
JL : No, about the idea that in order to reduce the deficit there has to be revenue in addition to cuts.
PBO : There has to be revenue in addition to cuts. Now, Governor Romney has ruled out revenue. He's — he's ruled out revenue.
JL : That's true, right?
GMR : Absolutely.
PBO : OK, so —
JL : Completely?
GMR : I — look, the revenue I get is by more people working, getting higher pay, paying more taxes. That's how we get growth and how we balance the budget. But the idea of taxing people more, putting more people out of work — you'll never get there. You never balance the budget by raising taxes. Spain — Spain spends 42 percent of their total economy on government. We're now spending 42 percent of our economy on government. I don't want to go down the path to Spain. I want to go down the path of growth that puts Americans to work, with more money coming in because they're working.
JL : Yeah.

3. JL : Let's —
GMR : But the — the idea that you get a break for shipping jobs overseas is simply not the case.
JL : Let's have —
GMR : What we do have right now is a setting —
JL : Excuse me.
GMR : — where I'd like to bring money from overseas back to this country.

And finally, Medicaid to states, I'm not quite sure where that came in, except this, which is, I would like to take the Medicaid dollars that go to states and say to a state, you're going to get what you got last year plus inflation — inflation — plus 1 percent. And then you're going to manage your care for your poor in the way you think best.
And I remember as a governor, when this idea was floated by Tommy Thompson, the governors, Republican and Democrats, said, please let us do that. We can care for our own poor in so much better and more effective a way than having the federal government tell us how to care for our poor.
So let states — one of the magnificent things about this country is the whole idea that states are the laboratories of democracy. Don't have the federal government tell everybody what kind of training programs they have to have and what kind of Medicaid they have to have. Let states do this.
And by the way, if a states get — gets in trouble, why, we could step in and see if we could find a way to help them. But —
JL : Let's go.
GMR : But — but the right — the right approach is one which relies on the brilliance —
JL : Two seconds.
GMR : — of our people and states, not the federal government.
JL : Two seconds and we're going on, still on the economy on another — but another part of it.
PBO: OK.

4. JL: Mr. President.

PBO: First of all, I think it's important for Governor Romney to present this plan that he says will only affect folks in the future. And the essence of the plan is that he would turn Medicare into a voucher program. It's called premium support, but it's understood to be a voucher program. His running mate —

JL: And you — and you don't support that?

PBO: I don't. And — and let me explain why.

GMR: Again, that's for future people —

PBO: I understand.

GMR: — right, not for current retirees.

5. JL: Yeah, we're going to — yeah. I want to get to it, but all I want to do is very quickly —

GMR: Let's get back to Medicare.

JL: — before we leave the economy —

GMR: Let's get back to Medicare.

JL: No, no, no, no —

GMR: The president said that the government can provide the service at lower —

JL: No.

GMR: — cost and without a profit.

JL: All right.

GMR: If that's the case, then it will always be the best product that people can purchase. But my experience —

JL: Wait a minute, Governor.

GMR: My experience is the private sector typically is able to provide a better product at a lower cost.

JL: Can we — can the two of you agree that the voters have a choice, a clear choice between the two of you —

GMR: Absolutely.

PBO: Yes.

JL: — on Medicare?

GMR: Absolutely.

6. JL: You want to repeal Dodd-Frank?

GMR: Well, I would repeal it and replace it. You — we're not going to get rid of all regulation. You have to have regulation. And there's some parts of Dodd-Frank that make all the sense in the world. You need transparency, you need to have leverage limits for institutes —

JL: Well, here's a specific — let's — excuse me —

GMR: Let me mention the other one. Let's talk the —

JL: No, no, let's do — right now, let's not. Let's let him respond.

GMR: OK.

JL: Let's let him respond to this specific on Dodd-Frank and what the governor just said.
7. **JL**: All right, we're going to move to a —

**GMR**: No, I — I have to respond to that —

**JL**: No, but —

**GMR**: — which is — which is my experience as a governor is if I come in and — and lay down a piece of legislation and say it's my way or the highway, I don't get a lot done. What I do is the same way that Tip O'Neill and Ronald Reagan worked together some years ago. When Ronald Reagan ran for office, he laid out the principles that he was going to foster. He said he was going to lower tax rates. He said he was going to broaden the base. You've said the same thing: You're going to simplify the tax code, broaden the base. Those are my principles.

(1st PD)

8. **CC**: Mr. President, the next question is going to be for you here. And, Mr. Romney -- Governor Romney -- there'll be plenty of chances here to go on, but I want to...

**GMR**: That -- that Detroit -- that Detroit answer...

**CC**: We have all these folks.

**GMR**: ... that Detroit answer...

**CC**: I will let you absolutely...

**GMR**: ... and the rest of the answer, way off the mark.

**CC**: OK. Will -- will -- you certainly will have lots of time here coming up.

Because I want to move you on to something that's sort of connected to cars here, and -- and go over. And we want to get a question from Phillip Tricolla.

(2nd PD)

9. **CC**: I got to -- I got to move you on --

**GMR**: He gets the first --

**CC**: -- and the next question --

**GMR**: He actually got --

**CC**: -- for you --

**GMR**: He actually got the first question. So I get the last question -- last answer --

**CC**: (Inaudible) in the follow up, it doesn't quite work like that. But I'm going to give you a chance here. I promise you, I'm going to.

And the next question is for you. So if you want to, you know, continue on -- but I don't want to leave all --

**GMR**: Candy, Candy --

**CC**: -- sitting here --

**GMR**: Candy, I don't have a policy of stopping wind jobs in Iowa and that -- they're not phantom jobs. They're real jobs.

**CC**: OK.

**GMR**: I appreciate wind jobs in Iowa and across our country. I appreciate the jobs in coal and oil and gas. I'm going to make sure --

**CC**: OK.

**GMR**: -- we're taking advantage of our energy resources. We'll bring back manufacturing to America. We're going to get through a very aggressive energy policy, 31/2 million more jobs in this country. It's critical to our future.

**PBO**: Candy, it's not going to --

**CC**: We're going to move you along --
Governor Mitt Romney’s interruption is completely different from President Barack Obama’s. Governor Mitt Romney interrupts not for clarifying the information briefly but elaborating and explaining whatever he wants to explain extensively. He doesn’t just interrupt but also steal other’s turn. He also likes to ask for a chance to speak even though it is not his turn. The next one is that he likes to change the topic or back to the previous topic when he could not explain it the way he wanted.
The differences between them show us more than just an intelligent skill but also politeness, focus, and also the will of following the rules.
CHAPTER V

CONCLUSION AND SUGGESTION

5.1 Conclusion

The aim of this analysis is to find out the word and grammatical features of both candidates and also the general interpretation of those interpretable features. This last and final part of the study is the chapter where all the result of the analysis will be concluded. After doing the analysis, several conclusions have been made. The first conclusion to be drawn from this study is that there are linguistic features in the political language. The differences between political language of both candidate is that President Barrack Obama prefer using optimist and positive words in his utterances while Governor Mitt Romney used strong negative words without hesitation.

The next difference between the two candidates’s is that President Barack Obama tends to more polite, respect the moderator which can be interpreted as respect to regulation while Governor Mitt Romney likes to create his own rule based on his own logic and ignore the role of moderator for a couple times. President Barack Obama is also more polite by saying sorry when he was reminded that he was out of line while Governor Mitt Romney will only stop when he wanted to and ended it with a big smile without apologizing.

Other difference is that President Barack Obama is more sensitive. We can see it when he talked about his grandparents, Penny’s father, et cetera that shows us another side of President Barack Obama. Governor Mitt Romney is actually quite sensitive too. He told us about several times someone grabbed his arm and asked for
help. But this is seemed to be a little bit unreal because he never mentioned the name or the characteristics of them.

The last difference between them is that President Barack Obama can take criticism better than Governor Mitt Romney. We can see how many time Governor Mitt Romney attack President Barack Obama and all he did was clarifying the information. But when President Barack Obama attack Governor Mitt Romney, he would directly said that attacking him is not the agenda of the debates. This thing can reflects how both of them take criticism outside the debates, in the real life, in their work.

President Barack Obama winning the Presidential Election of United States of America in 2012, once again after his first presidency, is not a coincidence. Their life record, speeches, advertisement and also their performance in those three debates which has revealed their ability and personality have shown the right candidate that can bring the United States of America to the nation that they believe they are going to be.

5.2 Suggestion

Politics is one of the interesting world to explore. The language of politics is a rich source that has many aspects to study. That is why political occasions such as speeches, political advertisements, political news, and of course political debates have often been the object of study by many scholars and experts from different approaches. It is interesting to know someone’s personality and ability just from the language they use.
This study has been done based on my knowledge which is limited. Further continuation of the study would be very much useful. Other analysis relating to this topic is also humbly recommended because it is very interesting.
REFERENCES


APPENDICES
TRANSCRIPT: FIRST PRESIDENTIAL DEBATE

October 03, 2012

JL  : Good evening from the Magness Arena at the University of Denver in Denver, Colorado. I'm Jim Lehrer of the PBS NewsHour, and I welcome you to the first of the 2012 presidential debates between President Barack Obama, the Democratic nominee, and former Massachusetts Governor Mitt Romney, the Republican nominee.

This debate and the next three — two presidential, one vice-presidential — are sponsored by the Commission on Presidential Debates.

Tonight's 90 minutes will be about domestic issues, and will follow a format designed by the commission. There will be six roughly 15-minute segments, with two-minute answers for the first question, then open discussion for the remainder of each segment.

Thousands of people offered suggestions on segment subjects of questions via the Internet and other means, but I made the final selections, and for the record, they were not submitted for approval to the commission or the candidates.

The segments, as I announced in advance, will be three on the economy and one each on health care, the role of government, and governing, with an emphasis throughout on differences, specifics and choices. Both candidates will also have two-minute closing statements.

The audience here in the hall has promised to remain silent. No cheers, applause, boos, hisses — among other noisy distracting things — so we may all concentrate on what the candidates have to say. There is a noise exception right now, though, as we welcome President Obama and Governor Romney. (Cheers, applause.)

Gentlemen, welcome to you both.

Let's start the economy, segment one. And let's begin with jobs. What are the major differences between the two of you about how you would go about creating new jobs? You have two minutes — each of you have two minutes to start. The coin toss has determined, Mr. President, you go first.

PBO  : Well, thank you very much, Jim, for this opportunity. I want to thank Governor Romney and the University of Denver for your hospitality.

There are a lot of points that I want to make tonight, but the most important one is that 20 years ago I became the luckiest man on earth because Michelle Obama agreed to marry me. (Laughter.) And so I just want to wish, Sweetie, you happy anniversary and let you know that a year from now, we will not be celebrating it in front of 40 million people. (Laughter.)

You know, four years ago we went through the worst financial crisis since the Great Depression. Millions of jobs were lost. The auto industry was on the brink of collapse. The financial system had frozen up. And because of the resilience and the determination of the American people, we've begun to fight our way back.

Over the last 30 months, we've seen 5 million jobs in the private sector created. The auto industry has come roaring back and housing has begun to rise. But we all know that we've still got a lot of work to do. And so the question here tonight is not where we've been but where we're going. Governor Romney has a perspective that says if we cut taxes, skewed towards the wealthy, and roll back regulations that we'll be better off.
I've got a different view. I think we've got to invest in education and training. I think it's important for us to develop new sources of energy here in America, that we change our tax code to make sure that we're helping small businesses and companies that are investing here in the United States, that we take some of the money that we're saving as we wind down two wars to rebuild America and that we reduce our deficit in a balanced way that allows us to make these critical investments.

Now, it ultimately is going to be up to the voters, to you, which path we should take. Are we going to double down on the top-down economic policies that helped to get us into this mess, or do we embrace a new economic patriotism that says, America does best when the middle class does best? And I'm looking forward to having that debate.

JL : Governor Romney, two minutes.

GMR : Thank you, Jim. It's an honor to be here with you, and I appreciate the chance to be with the president. I am pleased to be at the University of Denver, appreciate their welcome and also the presidential commission on these debates.

And congratulations to you, Mr. President, on your anniversary. I'm sure this was the most romantic place you could imagine here — here with me, so I — (laughter) — congratulations.

This is obviously a very tender topic. I've had the occasion over the last couple of years of meeting people across the country. I was in Dayton, Ohio, and a woman grabbed my arm, and she said, I've been out of work since May. Can you help me?

Ann yesterday was a rally in Denver, and a woman came up to her with a baby in her arms and said, Ann, my husband has had four jobs in three years, part-time jobs. He's lost his most recent job, and we've now just lost our home. Can you help us?

And the answer is yes, we can help, but it's going to take a different path, not the one we've been on, not the one the president describes as a top-down, cut taxes for the rich. That's not what I'm going to do.

My plan has five basic parts. One, get us energy independent, North American energy independent. That creates about four million jobs. Number two, open up more trade, particularly in Latin America; crack down on China if and when they cheat. Number three, make sure our people have the skills they need to succeed and the best schools in the world. We're far away from that now. Number four, get us to a balanced budget. Number five, champion small business.

It's small business that creates the jobs in America. And over the last four years small-business people have decided that America may not be the place to open a new business, because new business startups are down to a 30-year low. I know what it takes to get small business growing again, to hire people.

Now, I'm concerned that the path that we're on has just been unsuccessful. The president has a view very similar to the view he had when he ran four years ago, that a bigger government, spending more, taxing more, regulating more — if you will, trickle-down government would work. That's not the right answer for America. I'll restore the vitality that gets America working again.

Thank you.

JL : Mr. President, please respond directly to what the governor just said about trickle-down — his trickle-down approach. He's — as he said yours is.
PBO : Well, let me talk specifically about what I think we need to do.

First, we've got to improve our education system. And we've made enormous progress drawing on ideas both from Democrats and Republicans that are already starting to show gains in some of the toughest-to-deal-with schools. We've got a program called Race to the Top that has prompted reforms in 46 states around the country, raising standards, improving how we train teachers. So now I want to hire another hundred thousand new math and science teachers and create 2 million more slots in our community colleges so that people can get trained for the jobs that are out there right now. And I want to make sure that we keep tuition low for our young people.

When it comes to our tax code, Governor Romney and I both agree that our corporate tax rate is too high. So I want to lower it, particularly for manufacturing, taking it down to 25 percent. But I also want to close those loopholes that are giving incentives for companies that are shipping jobs overseas. I want to provide tax breaks for companies that are investing here in the United States.

On energy, Governor Romney and I, we both agree that we've got to boost American energy production.

And oil and natural gas production are higher than they've been in years. But I also believe that we've got to look at the energy source of the future, like wind and solar and biofuels, and make those investments.

So, all of this is possible. Now, in order for us to do it, we do have to close our deficit, and one of the things I'm sure we'll be discussing tonight is, how do we deal with our tax code, and how do we make sure that we are reducing spending in a responsible way, but also how do we have enough revenue to make those investments? And this is where there's a difference because Governor Romney's central economic plan calls for a $5 trillion tax cut, on top of the extension of the Bush tax cuts, so that's another $2 trillion, and $2 trillion in additional military spending that the military hasn't asked for. That's $8 trillion. How we pay for that, reduce the deficit and make the investments that we need to make without dumping those costs on the middle-class Americans I think is one of the central questions of this campaign.

JL : Both of you have spoken about a lot of different things, and we're going to try to get through them in as specific a way as we possibly can.

But first, Governor Romney, do you have a question that you'd like to ask the president directly about something he just said?

GMR : Well, sure. I'd like to clear up the record and go through it piece by piece. First of all, I don't have a $5 trillion tax cut. I don't have a tax cut of a scale that you're talking about. My view is that we ought to provide tax relief to people in the middle class. But I'm not going to reduce the share of taxes paid by high-income people. High-income people are doing just fine in this economy. They'll do fine whether you're president or I am.

The people who are having the hard time right now are middle-income Americans. Under the president's policies, middle-income Americans have been buried. They're — they're just being crushed. Middle-income Americans have seen their income come down by $4,300. This is a — this is a tax in and of itself. I'll call it the economy tax. It's been crushing. The same time, gasoline prices have doubled under the president, electric rates are up, food prices are up, health care costs have gone up by $2,500 a family.

Middle-income families are being crushed. And so the question is how to get them going again, and I've described it. It's energy and trade, the right kind of training programs,
balancing our budget and helping small business. Those are the — the cornerstones of my plan.

But the president mentioned a couple of other ideas, and I'll just note: first, education. I agree, education is key, particularly the future of our economy. But our training programs right now, we got 47 of them housed in the federal government, reporting to eight different agencies. Overhead is overwhelming. We got to get those dollars back to the states and go to the workers so they can create their own pathways to getting the training they need for jobs that will really help them.

The second area: taxation. We agree; we ought to bring the tax rates down, and I do, both for corporations and for individuals. But in order for us not to lose revenue, have the government run out of money, I also lower deductions and credits and exemptions so that we keep taking in the same money when you also account for growth.

The third area: energy. Energy is critical, and the president pointed out correctly that production of oil and gas in the U.S. is up. But not due to his policies. In spite of his policies. Mr. President, all of the increase in natural gas and oil has happened on private land, not on government land. On government land, your administration has cut the number of permits and license in half. If I'm president, I'll double them. And also get the — the oil from offshore and Alaska. And I'll bring that pipeline in from Canada.

And by the way, I like coal. I'm going to make sure we continue to burn clean coal. People in the coal industry feel like it's getting crushed by your policies. I want to get America and North America energy independent, so we can create those jobs.

And finally, with regards to that tax cut, look, I'm not looking to cut massive taxes and to reduce the — the revenues going to the government. My — my number one principle is there'll be no tax cut that adds to the deficit.

I want to underline that — no tax cut that adds to the deficit. But I do want to reduce the burden being paid by middle-income Americans. And I — and to do that that also means that I cannot reduce the burden paid by high-income Americans. So any — any language to the contrary is simply not accurate.

**JL** : Mr. President.

**PBO** : Well, I think — let's talk about taxes because I think it's instructive. Now, four years ago when I stood on this stage I said that I would cut taxes for middle-class families. And that's exactly what I did. We cut taxes for middle-class families by about $3,600. And the reason is because I believe we do best when the middle class is doing well.

And by giving them those tax cuts, they had a little more money in their pocket and so maybe they can buy a new car. They are certainly in a better position to weather the extraordinary recession that we went through. They can buy a computer for their kid who's going off to college, which means they're spending more money, businesses have more customers, businesses make more profits and then hire more workers.

Now, Governor Romney's proposal that he has been promoting for 18 months calls for a $5 trillion tax cut on top of $2 trillion of additional spending for our military. And he is saying that he is going to pay for it by closing loopholes and deductions. The problem is that he's been asked a — over a hundred times how you would close those deductions and loopholes and he hasn't been able to identify them.

But I'm going to make an important point here, Jim.
JL: All right.

PBO: When you add up all the loopholes and deductions that upper income individuals can — are currently taking advantage of — if you take those all away — you don't come close to paying for $5 trillion in tax cuts and $2 trillion in additional military spending. And that's why independent studies looking at this said the only way to meet Governor Romney's pledge of not reducing the deficit — or — or — or not adding to the deficit, is by burdening middle-class families.

The average middle-class family with children would pay about $2,000 more. Now, that's not my analysis; that's the analysis of economists who have looked at this. And — and that kind of top — top-down economics, where folks at the top are doing well so the average person making 3 million bucks is getting a $250,000 tax break while middle-class families are burdened further, that's not what I believe is a recipe for economic growth.

JL: All right. What is the difference?

GMR: Well —

JL: Let's just stay on taxes for —

GMR: But I — but I — right, right.

JL: OK. Yeah, just — let's just stay on taxes for a moment.

GMR: Yeah. Well, but — but —

JL: What is the difference?

GMR: — virtually every — virtually everything he just said about my tax plan is inaccurate.

JL: All right, go —

GMR: So — so if — if the tax plan he described were a tax plan I was asked to support, I'd say absolutely not. I'm not looking for a $5 trillion tax cut. What I've said is I won't put in place a tax cut that adds to the deficit. That's part one. So there's no economist can say Mitt Romney's tax plan adds 5 trillion (dollars) if I say I will not add to the deficit with my tax plan.

Number two, I will not reduce the share paid by high-income individuals. I — I know that you and your running mate keep saying that, and I know it's a popular things to say with a lot of people, but it's just not the case. Look, I got five boys. I'm used to people saying something that's not always true, but just keep on repeating it and ultimately hoping I'll believe it — (scattered laughter) — but that — that is not the case, all right? I will not reduce the taxes paid by high-income Americans.

And number three, I will not, under any circumstances, raise taxes on middle-income families. I will lower taxes on middle-income families. Now, you cite a study. There are six other studies that looked at the study you describe and say it's completely wrong. I saw a study that came out today that said you're going to raise taxes by 3(,000 dollars) to $4,000 on — on middle-income families. There are all these studies out there.

But let's get to the bottom line. That is, I want to bring down rates. I want to bring down the rates down, at the same time lower deductions and exemptions and credits and so forth so we keep getting the revenue we need.
And you think, well, then why lower the rates? And the reason is because small business pays that individual rate. Fifty-four percent of America's workers work in businesses that are taxed not at the corporate tax rate but at the individual tax rate. And if we lower that rate, they will be able to hire more people.

For me, this is about jobs.

JL : All right. That's where we started.

GMR : This is about getting jobs for the American people.

JL : Yeah.

Do you challenge what the governor just said about his own plan?

PBO : Well, for 18 months he's been running on this tax plan. And now, five weeks before the election, he's saying that his big, bold idea is "never mind." And the fact is that if you are lowering the rates the way you describe, Governor, then it is not possible to come up with enough deductions and loopholes that only affect high-income individuals to avoid either raising the deficit or burdening the middle class. It's — it's math. It's arithmetic.

Now, Governor Romney and I do share a deep interest in encouraging small-business growth. So at the same time that my tax plan has already lowered taxes for 98 percent of families, I also lowered taxes for small businesses 18 times. And what I want to do is continue the tax rates — the tax cuts that we put into place for small businesses and families.

But I have said that for incomes over $250,000 a year that we should go back to the rates that we had when Bill Clinton was president, when we created 23 million new jobs, went from deficit to surplus and created a whole lot of millionaires to boot.

And the reason this is important is because by doing that, we can not only reduce the deficit, we can not only encourage job growth through small businesses, but we're also able to make the investments that are necessary in education or in energy.

And we do have a difference, though, when it comes to definitions of small business. Now, under — under my plan, 97 percent of small businesses would not see their income taxes go up. Governor Romney says, well, those top 3 percent, they're the job creators. They'd be burdened.

But under Governor Romney's definition, there are a whole bunch of millionaires and billionaires who are small businesses. Donald Trump is a small business. And I know Donald Trump doesn't like to think of himself as small anything, but — but that's how you define small businesses if you're getting business income. And that kind of approach, I believe, will not grow our economy because the only way to pay for it without either burdening the middle class or blowing up our deficit is to make drastic cuts in things like education, making sure that we are continuing to invest in basic science and research, all the things that are helping America grow. And I think that would be a mistake.

JL : All right.

GMR : Jim, let me just come back on that — on that point.

JL : Just for the — just for the record —

GMR : These small businesses we're talking about —

JL : Excuse me. Just so everybody understands —
GMR : Yeah.

JL : — we're way over our first 15 minutes.

GMR : It's fun, isn't it?

JL : It's OK. It's great.

PBO : That's OK.

JL : No problem. No, you don't have — you don't have a problem, I don't have a problem, because we're still on the economy, but we're going to come back to taxes and we're going to move on to the deficit and a lot of other things, too.

OK, but go ahead, sir.

GMR : You bet.

Well, President, you're — Mr. President, you're absolutely right, which is that with regards to 97 percent of the businesses are not — not taxed at the 35 percent tax rate, they're taxed at a lower rate. But those businesses that are in the last 3 percent of businesses happen to employ half — half — of all of the people who work in small business. Those are the businesses that employ one quarter of all the workers in America. And your plan is take their tax rate from 35 percent to 40 percent.

Now, I talked to a guy who has a very small business. He's in the electronics business in — in St. Louis. He has four employees.

He said he and his son calculated how much they pay in taxes. Federal income tax, federal payroll tax, state income tax, state sales tax, state property tax, gasoline tax — it added up to well over 50 percent of what they earned.

And your plan is to take the tax rate on successful small businesses from 35 percent to 40 percent. The National Federation of Independent Businesses has said that will cost 700,000 jobs. I don't want to cost jobs. My priority is jobs. And so what I do is I bring down the tax rates, lower deductions and exemptions — the same idea behind Bowles-Simpson, by the way. Get the rates down, lower deductions and exemptions to create more jobs, because there's nothing better for getting us to a balanced budget than having more people working, earning more money, paying — (chuckles) — more taxes. That's by far the most effective and efficient way to get this budget balanced.

PBO: Jim, I — you may want to move on to another topic, but I would just say this to the American people. If you believe that we can cut taxes by $5 trillion and add $2 trillion in additional spending that the military is not asking for — $7 trillion, just to give you a sense, over 10 years that's more than our entire defense budget — and you think that by closing loopholes and deductions for the well-to-do, somehow you will not end up picking up the tab, then Governor Romney's plan may work for you.

But I think math, common sense and our history shows us that's not a recipe for job growth.

Look, we've tried this — we've tried both approaches. The approach that Governor Romney's talking about is the same sales pitch that was made in 2001 and 2003. And we ended up with the slowest job growth in 50 years. We ended up moving from surplus to deficits. And it all culminated in the worst financial crisis since the Great Depression.

Bill Clinton tried the approach that I'm talking about. We created 23 million new jobs. We went from deficit to surplus, and businesses did very well.
So in some ways, we've got some data on which approach is more likely to create jobs and opportunity for Americans, and I believe that the economy works best when middle-class families are getting tax breaks so that they've got some money in their pockets and those of us who have done extraordinarily well because of this magnificent country that we live in, that we can afford to do a little bit more to make sure we're not blowing up the deficit.

JL : OK. (Inaudible) —

GMR : Jim, the president began this segment, so I think I get the last word, so I'm going to take it. All right? (Chuckles.)

JL : Well, you're going to get the first word in the next segment.

GMR : Well, but — but he gets the first word of that segment. I get the last word of that segment, I hope. Let me just make this comment.

PBO : (Chuckles.) He can — you can have it. He can —

GMR : First of all —

JL : That's not how it works.

GMR : Let me — let me repeat — let me repeat what I said — (inaudible). I'm not in favor of a $5 trillion tax cut. That's not my plan. My plan is not to put in place any tax cut that will add to the deficit. That's point one. So you may keep referring to it as a $5 trillion tax cut, but that's not my plan.

PBO : OK.

GMR : Number two, let's look at history. My plan is not like anything that's been tried before. My plan is to bring down rates but also bring down deductions and exemptions and credits at the same time so the revenue stays in, but that we bring down rates to get more people working. My priority is putting people back to work in America. They're suffering in this country. And we talk about evidence — look at the evidence of the last four years. It's absolutely extraordinary. We've got 23 million people out of work or stop looking for work in this country.

JL : All right.

GMR : It's just — it's — we've got — we got — when the president took office, 32 million people on food stamps; 47 million on food stamps today. Economic growth this year slower than last year, and last year slower than the year before. Going forward with the status quo is not going to cut it for the American people who are struggling today.

JL : All right. Let's talk — we're still on the economy. This is, theoretically now, a second segment still on the economy, and specifically on what do about the federal deficit, the federal debt. And the question — you each have two minutes on this — and, Governor Romney you go first because the president went first on segment one. And the question is this: What are the differences between the two of you as to how you would go about tackling the deficit problem in this country?

GMR : Well, good. I'm glad you raised that. And it's a — it's a critical issue. I think it's not just an economic issue. I think it's a moral issue. I think it's, frankly, not moral for my generation to keep spending massively more than we take in, knowing those burdens are going to be passed on to the next generation. And they're going to be paying the interest and the principle all their lives. And the amount of debt we're adding, at a trillion a year, is simply not moral.
So how do we deal with it? Well, mathematically there are — there are three ways that you can cut a deficit. One, of course, is to raise taxes. Number two is to cut spending. And number three is to grow the economy because if more people work in a growing economy they're paying taxes and you can get the job done that way.

The presidents would — president would prefer raising taxes. I understand. The problem with raising taxes is that it slows down the rate of growth and you could never quite get the job done. I want to lower spending and encourage economic growth at the same time.

What things would I cut from spending? Well, first of all, I will eliminate all programs by this test — if they don't pass it: Is the program so critical it's worth borrowing money from China to pay for it? And if not, I'll get rid of it. "Obamacare" is on my list. I apologize, Mr. President. I use that term with all respect.

PBO : I like it.

GMR : Good. OK, good. (Laughter.) So I'll get rid of that. I'm sorry, Jim. I'm going to stop the subsidy to PBS. I'm going to stop other things. I like PBS. I love Big Bird. I actually like you too. But I'm not going to — I'm not going to keep on spending money on things to borrow money from China to pay for it. That's number one.

Number two, I'll take programs that are currently good programs but I think could be run more efficiently at the state level and send them to state.

Number three, I'll make government more efficient, and to cut back the number of employees, combine some agencies and departments. My cutbacks will be done through attrition, by the way.

This is the approach we have to take to get America to a balanced budget. The president said he'd cut the deficit in half. Unfortunately, he doubled it. Trillion-dollar deficits for the last four years. The president's put it in place as much public debt — almost as much debt held by by the public as all prior presidents combined.

JL : Mr. President. two minutes.

PBO : When I walked in the Oval Office, I had more than a trillion dollar deficit greeting me, and we know where it came from. Two wars that were paid for on a credit card. Two tax cuts that were not paid for, and a whole bunch of programs that were not paid for. And then a massive economic crisis.

And despite that, what we've said is, yes, we had to take some initial emergency measures to make sure we didn't slip into a Great Depression. But what we've also said is, let's make sure that we are cutting out those things that are not helping us grow.

So, 77 government programs — everything from aircrafts that the Air Force had ordered but weren't working very well. Eighteen government — 18 government programs for education that were well- intentioned but weren't helping kids learn. We went after medical fraud in Medicare and Medicaid very aggressively — more aggressively than ever before, and have saved tens of billions of dollars. Fifty billion dollars of waste taken out of the system.

And I worked with Democrats and Republicans to cut a trillion dollars out of our discretionary domestic budget. That's the largest cut in the discretionary domestic budget since Dwight Eisenhower.

Now, we all know that we've got to do more. And so I've put forward a specific $4 trillion deficit-reduction plan.
It's on a website. You can look at all the numbers, what cuts we make and what revenue we raise.

And the way we do it is $2.50 for every cut, we ask for a dollar of additional revenue, paid for, as I indicated earlier, by asking those of us who have done very well in this country to contribute a little bit more to reduce the deficit.

And Governor Romney earlier mentioned the Bowles-Simpson commission. Well, that's how the commission — bipartisan commission that talked about how we should move forward suggested we have to do it — in a balanced way with some revenue and some spending cuts. And this is a major difference that Governor Romney and I have.

Let — let me just finish this point because you're looking for contrast. You know, when Governor Romney stood on a stage with other Republican candidates for the nomination, and he was asked, would you take $10 of spending cuts for just $1 of revenue, and he said no. Now, if you take such an unbalanced approach, then that means you are going to be gutting our investments in schools and education. It means that — Governor Romney talked about Medicaid and how we could send it back to the states, but effectively this means a 30 percent cut in the primary program we help for seniors who are in nursing homes, for kids who are with disabilities —

JL: Mr. President, I'm sorry —

PBO: And that is not a right strategy for us to move forward.

JL: Way over the two minutes.

PBO: Sorry.

JL: Governor, what about Simpson-Bowles. Will you support Simpson-Bowles?

GMR: Simpson-Bowles, the president should have grabbed that.

JL: No, I mean do you support Simpson-Bowles?

GMR: I have my own plan. It's not the same as Simpson-Bowles. But in my view, the president should have grabbed it. If you wanted to make some adjustments to it, take it, go to Congress, fight for it.

PBO: That's what we've done, made some adjustments to it; and we're putting it forward before Congress right now, a $4 trillion plan, (a balanced ?) —

GMR: But you've been — but you've been president four years. You've been president four years. You said you'd cut the deficit in half. It's now four years later. We still have trillion-dollar deficits.

The CBO says we'll have a trillion-dollar deficit each of the next four years. If you're re-elected, we'll get to a trillion-dollar debt. You have said before you'd cut the deficit in half. And this four — I love this idea of 4 trillion (dollars) in cuts. You've found $4 trillion of ways to reduce or to get closer to a balanced budget, except we still show trillion dollar deficits every year. That doesn't get the job done.

Let me come back and say, why is that I don't want to raise taxes? Why don't I want to raise taxes on people? And actually, you said it back in 2010. You said, look, I'm going to extend the tax policies that we have. Now, I'm not going to raise taxes on anyone because when the economy's growing slow like this, when we're in recession you shouldn't raise taxes on anyone.
Well, the economy is still growing slow. As a matter of fact, it's growing much more slowly now than when you made that statement. And so if you believe the same thing, you just don't want to raise taxes on people. And the reality is it's not just wealthy people — you mentioned Donald Trump — it's not just Donald Trump you're taxing; it's all those businesses that employ one-quarter of the workers in America. These small businesses that are taxed as individuals. You raise taxes and you kill jobs. That's why the National Federation of Independent Businesses said your plan will kill 700,000 jobs. I don't want to kill jobs in this environment.

Let me make one more point. And that's — and that —

**JL** : Let's let him answer the taxes thing for a moment, OK?

**GMR** : OK.

**JL** : Mr. President.

**PBO** : Well, we've had this discussion before.

**JL** : No, about the idea that in order to reduce the deficit there has to be revenue in addition to cuts.

**PBO** : There has to be revenue in addition to cuts. Now, Governor Romney has ruled out revenue. He's — he's ruled out revenue.

**JL** : That's true, right?

**GMR** : Absolutely.

**PBO** : OK, so —

**JL** : Completely?

**GMR** : I — look, the revenue I get is by more people working, getting higher pay, paying more taxes. That's how we get growth and how we balance the budget. But the idea of taxing people more, putting more people out of work — you'll never get there. You never balance the budget by raising taxes.

Spain — Spain spends 42 percent of their total economy on government. We're now spending 42 percent of our economy on government.

I don't want to go down the path to Spain. I want to go down the path of growth that puts Americans to work, with more money coming in because they're working.

**JL** : Yeah.

But Mr. President, you're saying in order to get it — the job done, it's got to be balanced. You've got to have —

**PBO** : If we're serious, we've got to take a balanced, responsible approach. And by the way, this is not just when it comes to individual taxes.

Let's talk about corporate taxes. Now, I've identified areas where we can, right away, make a change that I believe would actually help the economy. The — the oil industry gets $4 billion a year in corporate welfare. Basically, they get deductions that those small businesses that Governor Romney refers to, they don't get. Now, does anybody think that ExxonMobil needs some extra money when they're making money every time you go to the pump? Why wouldn't we want to eliminate that?
Why wouldn't we eliminate tax breaks for corporate jets? My attitude is if you got a corporate jet, you can probably afford to pay full freight, not get a special break for it.

When it comes to corporate taxes, Governor Romney has said he wants to, in a revenue-neutral way, close loopholes, deductions — he hasn't identified which ones they are — but thereby bring down the corporate rate. Well, I want to do the same thing, but I've actually identified how we can do that.

And part of the way to do it is to not give tax breaks to companies that are shipping jobs overseas. Right now you can actually take a deduction for moving a plant overseas. I think most Americans would say that doesn't make sense. And all that raises revenue.

And so if we take a balanced approach, what that then allows us to do is also to help young people, the way we already have during my administration, make sure that they can afford to go to college. It means that the teacher that I met in Las Vegas, wonderful young lady, who describes to me — she's got 42 kids in her class.

The first two weeks, she's got them — some of them sitting on the floor until finally they get reassigned. They're using textbooks that are 10 years old. That is not a recipe for growth; that's not how America was built.

And so budgets reflect choices. Ultimately we're going to have to make some decisions. And if we're asking for no revenue, then that means that we've got to get rid of a whole bunch of stuff, and the magnitude of the tax cuts that you're talking about, Governor, would end up resulting in severe hardship for people, but more importantly, would not help us grow.

As I indicated before, when you talk about shifting Medicaid to states, we're talking about potentially a — a 30 — a 30 percent cut in Medicaid over time. Now, you know, that may not seem like a big deal when it just is — you know, numbers on a sheet of paper, but if we're talking about a family who's got an autistic kid and is depending on that Medicaid, that's a big problem. And governors are creative. There's no doubt about it. But they're not creative enough to make up for 30 percent of revenue on something like Medicaid. What ends up happening is some people end up not getting help.

GMR : Jim, let's — we — we've gone on a lot of topics there, and — so I've got to take — it's going to take a minute to go from Medicaid to schools to —

PBO : (Inaudible.)

JL : Come back to Medicaid, here, yeah, yeah, right.

GMR : — oil to tax breaks and companies overseas. So let's go through them one by one. First of all, the Department of Energy has said the tax break for oil companies is $2.8 billion a year. And it's actually an accounting treatment, as you know, that's been in place for a hundred years. Now —

PBO : It's time to end it.

GMR : And — and in one year, you provided $90 billion in breaks to the green energy world. Now, I like green energy as well, but that's about 50 years' worth of what oil and gas receives, and you say Exxon and Mobil — actually, this $2.8 billion goes largely to small companies, to drilling operators and so forth.

But you know, if we get that tax rate from 35 percent down to 25 percent, why, that $2.8 billion is on the table. Of course it's on the table. That's probably not going to survive, you get that rate down to 25 percent.
But — but don't forget, you put $90 billion — like 50 years worth of breaks — into solar and wind, to — to Solyndra and Fisker and Tesla and Ener1. I mean, I — I had a friend who said, you don't just pick the winners and losers; you pick the losers. All right? So — so this is not — this is not the kind of policy you want to have if you want to get America energy-secure.

The second topic, which is you said you get a deduction for getting a plant overseas. Look, I've been in business for 25 years. I have no idea what you're talking about. I maybe need to get a new accountant.

JL : Let's —

GMR : But the — the idea that you get a break for shipping jobs overseas is simply not the case.

JL : Let's have —

GMR : What we do have right now is a setting —

JL : Excuse me.

GMR : — where I'd like to bring money from overseas back to this country.

And finally, Medicaid to states, I'm not quite sure where that came in, except this, which is, I would like to take the Medicaid dollars that go to states and say to a state, you're going to get what you got last year plus inflation — inflation — plus 1 percent. And then you're going to manage your care for your poor in the way you think best.

And I remember as a governor, when this idea was floated by Tommy Thompson, the governors, Republican and Democrats, said, please let us do that. We can care for our own poor in so much better and more effective a way than having the federal government tell us how to care for our poor.

So let states — one of the magnificent things about this country is the whole idea that states are the laboratories of democracy. Don't have the federal government tell everybody what kind of training programs they have to have and what kind of Medicaid they have to have. Let states do this.

And by the way, if a states get — gets in trouble, why, we could step in and see if we could find a way to help them. But —

JL : Let's go.

GMR : But — but the right — the right approach is one which relies on the brilliance —

JL : Two seconds.

GMR : — of our people and states, not the federal government.

JL : Two seconds and we're going on, still on the economy on another — but another part of it.

PBO : OK.

JL : All right? All right, this is this is segment three, the economy, entitlements.

First answer goes to you. It's two minutes. Mr. President, do you see a major difference between the two of you on Social Security?
PBO: You know, I suspect that on Social Security, we've got a somewhat similar position. Social Security is structurally sound. It's going to have to be tweaked the way it was by Ronald Reagan and Speaker — Democratic Speaker Tip O'Neill. But it is — the basic structure is sound. But — but I want to talk about the values behind Social Security and Medicare and then talk about Medicare, because that's the big driver —

JL: Sure — it — you bet.

PBO: — of our deficits right now.

You know, my grandmother, some of you know, helped to raise me. My grandparents did. My grandfather died awhile back. My grandmother died three days before I was elected president. And she was fiercely independent. She worked her way up, only had a high school education, started as a secretary, ended up being the vice president of a local bank. And she ended up living alone by choice. And the reason she could be independent was because of Social Security and Medicare. She had worked all her life, put in this money and understood that there was a basic guarantee, a floor under which she could not go.

And that's the perspective I bring when I think about what's called entitlements. You know, the name itself implies some sense of dependency on the part of these folks. These are folks who've worked hard, like my grandmother. And there are millions of people out there who are counting on this.

So my approach is to say, how do we strengthen the system over the long term? And in Medicare, what we did was we said, we are going to have to bring down the costs if we're going to deal with our long-term deficits, but to do that, let's look where some of the money is going. Seven hundred and sixteen billion dollars we were able to save from the Medicare program by no longer overpaying insurance companies, by making sure that we weren't overpaying providers.

And using that money, we were actually able to lower prescription drug costs for seniors by an average of $600, and we were also able to make a — make a significant dent in providing them the kind of preventive care that will ultimately save money through the — throughout the system.

So the way for us to deal with Medicare in particular is to lower health care costs. But when it comes to Social Security, as I said, you don't need a major structural change in order to make sure that Social Security is there for the future.

JL: We'll follow up on this.

First, Governor Romney, you have two minutes on Social Security and entitlements.

GMR: Well, Jim, our seniors depend on these programs. And I know any time we talk about entitlements, people become concerned that something's going to happen that's going to change their life for the worst, and the answer is, neither the president nor I are proposing any changes for any current retirees or near retirees, either to Social Security or Medicare. So if you're 60 or around 60 or older, you don't need to listen any further.

But for younger people, we need to talk about what changes are going to be occurring.

Oh, I just thought about one, and that is in fact I was wrong when I said the president isn't proposing any changes for current retirees. In fact, he is on Medicare. On Social Security, he's not.
But on Medicare, for current retirees he's cutting $716 billion from the program. Now, he says by not overpaying hospitals and providers, actually just going to them and saying we're going to reduce the rates you get paid across the board, everybody's going to get a lower rate. That's not just going after places where there's abuse, that's saying we're cutting the rates. Some 15 percent of hospitals and nursing homes say they won't take anymore Medicare patients under that scenario.

We also have 50 percent of doctors who say they won't take more Medicare patients. This — we have 4 million people on Medicare Advantage that will lose Medicare Advantage because of those $716 billion in cuts. I can't understand how you can cut Medicare $716 billion for current recipients of Medicare.

Now, you point out, well, we're putting some back; we're going to give a better prescription program. That's one — that's $1 for every 15 (dollars) you've cut. They're smart enough to know that's not a good trade.

I want to take that $716 billion you've cut and put it back into Medicare. By the way, we can include a prescription program if we need to improve it, but the idea of cutting $716 billion from Medicare to be able to balance the additional cost of "Obamacare" is, in my opinion, a mistake. And with regards to young people coming along, I've got proposals to make sure Medicare and Social Security are there for them without any question.

PBO : First of all, I think it's important for Governor Romney to present this plan that he says will only affect folks in the future. And the essence of the plan is that he would turn Medicare into a voucher program. It's called premium support, but it's understood to be a voucher program. His running mate —

GMR : Again, that's for future people —

PBO : I understand.

GMR : — right, not for current retirees.

PBO : For — for — so if you're — if you — you're 54 or 55, you might want to listen, because this — this will affect you. The idea, which was originally presented by Congressman Ryan, your running mate, is that we would give a voucher to seniors, and they could go out in the private marketplace and buy their own health insurance. The problem is that because the voucher wouldn't necessarily keep up with health care inflation, it was estimated that this would cost the average senior about $6,000 a year.

Now, in fairness, what Governor Romney has now said is he'll maintain traditional Medicare alongside it. But there's still a problem, because what happens is those insurance companies are pretty clever at figuring out who are the younger and healthier seniors.

They recruit them leaving the older, sicker seniors in Medicare. And every health care economist who looks at it says over time what'll happen is the traditional Medicare system will collapse. And then what you've got is folks like my grandmother at the mercy of the private insurance system, precisely at the time when they are most in need of decent health care.
So I don't think vouchers are the right way to go. And this is not my own — only my opinion. AARP thinks that the — the savings that we obtained from Medicare bolster the system, lengthen the Medicare trust fund by 8 years. Benefits were not affected at all and ironically if you repeal "Obamacare" — and I have become fond of this term, "Obamacare" — (laughter) — if you repeal it, what happens is those seniors right away are going to be paying $600 more in prescription care. They're now going to have to be paying copays for basic check-ups that can keep them healthier.

And the primary beneficiary of that repeal are insurance companies that are estimated to gain billions of dollars back when they aren't making seniors any healthier. And I — I don't think that's right approach when it comes to making sure that Medicare is stronger over the long term.

JL : We'll talk about — specifically about health care in a moment, but what is — do you support the voucher system, Governor?

GMR : What I support is no change for current retirees and near-retirees to Medicare and the president supports taking $716 billion out of that program.

JL : What about the vouchers?

GMR : So that's — that's number one.

JL : OK. All right.

GMR : Number two is for people coming along that are young. What I'd do to make sure that we can keep Medicare in place for them is to allow them either to choose the current Medicare program or a private plan — their choice. They get to — and they'll have at least two plans that will be entirely at no cost to them. So they don't have to pay additional money, no additional $6,000. That's not going to happen.

They'll have at least two plans.

And by the way, if the government can be as efficient as the private sector and offer premiums that are as low as the private sector, people will be happy to get traditional Medicare, or they'll be able to get a private plan. I know my own view is I'd rather have a private plan. I — I'd just as soon not have the government telling me what kind of health care I get. I'd rather be able to have an insurance company. If I don't like them, I can get rid of them and find a different insurance company. But people will make their own choice.

The other thing we have to do to save Medicare, we have to have the benefits high for those that are low-income, but for higher-income people, we're going to have to lower some of the benefits. We have to make sure this program is there for the long term. That's the plan that I've put forward.

And by the way, the idea came not even from Paul Ryan or — or Senator Wyden, who's a co-author of the bill with — with Paul Ryan in the Senate, but also it came from Bill Clinton's — Bill Clinton's chief of staff. This is an idea that's been around a long time, which is saying, hey, let's see if we can't get competition into the Medicare world so that people can get the choice of different plans at lower cost, better quality. I believe in competition.

PBO : Jim, if I — if I can just respond very quickly, first of all, every study has shown that Medicare has lower administrative cost than private insurance does, which is why seniors are generally pretty happy with it. And private insurers have to make a profit. Nothing wrong with that; that's what they do. And so you've got higher administrative costs,
plus profit on top of that, and if you are going to save any money through what Governor Romney's proposing, what has to happen is that the money has to come from somewhere.

And when you move to a voucher system, you are putting seniors at the mercy of those insurance companies. And over time, if traditional Medicare has decayed or fallen apart, then they're stuck. And this is the reason why AARP has said that your plan would weaken Medicare substantially, and that's why they were supportive of the approach that we took.

One last point I want to make. We do have to lower the cost of health care. Not just in Medicare and —

JL : We'll talk about that in a minute.

PBO : — but — but overall.

JL : Go. OK.

PBO : And so —

GMR : That's — that's a big topic. Could we — could we stay on Medicare?

PBO : Is that a — is that a separate topic? I'm sorry.

JL : Yeah, we're going to — yeah. I want to get to it, but all I want to do is very quickly —

GMR : Let's get back to Medicare.

JL : — before we leave the economy —

GMR : Let's get back to Medicare.

JL : No, no, no, no —

GMR : The president said that the government can provide the service at lower —

JL : No.

GMR : — cost and without a profit.

JL : All right.

GMR : If that's the case, then it will always be the best product that people can purchase. But my experience —

JL : Wait a minute, Governor.

GMR : My experience is the private sector typically is able to provide a better product at a lower cost.

JL : Can we — can the two of you agree that the voters have a choice, a clear choice between the two of you —

GMR : Absolutely.

PBO : Yes.

JL : — on Medicare?
JL: All right. So, to finish quickly, briefly, on the economy, what is your view about the level of federal regulation of the economy right now? Is there too much, and in your case, Mr. President, is there — should there be more? Beginning with you — this is not a new two-minute segment — to start, and we'll go for a few minutes and then we're going to go to health care. OK?

GMR: Regulation is essential. You can't have a free market work if you don't have regulation. As a business person, I had to have — I needed to know the regulations. I needed them there. You couldn't have people opening up banks in their — in their garage and making loans. I mean, you have to have regulations so that you can have an economy work. Every free economy has good regulation.

At the same time, regulation can become excessive.

JL: Is it excessive now, do you think?

GMR: In some places, yes, in other places, no.

JL: Like where?

GMR: It can become out of date. And what's happened in — with some of the legislation that's been passed during the president's term, you've seen regulation become excessive and it's hurt the — it's hurt the economy. Let me give you an example. Dodd-Frank was passed, and it includes within it a number of provisions that I think have some unintended consequences that are harmful to the economy. One is it designates a number of banks as too big to fail, and they're effectively guaranteed by the federal government.

This is the biggest kiss that's been given to — to New York banks I've ever seen. This is an enormous boon for them. There's been — 122 community and small banks have closed since Dodd-Frank. So there's one example.

Here's another. In Dodd-Frank, it says that —

JL: You want to repeal Dodd-Frank?

GMR: Well, I would repeal it and replace it. You — we're not going to get rid of all regulation. You have to have regulation. And there's some parts of Dodd-Frank that make all the sense in the world. You need transparency, you need to have leverage limits for institutes —

JL: Well, here's a specific — let's — excuse me —

GMR: Let me mention the other one. Let's talk the —

JL: No, no, let's do — right now, let's not. Let's let him respond.

GMR: OK.

JL: Let's let him respond to this specific on Dodd-Frank and what the governor just said.

PBO: Well, I think this is a great example. The reason we have been in such an enormous economic crisis was prompted by reckless behavior across the board. Now, it wasn't just on Wall Street. You had — loan officers were — they were giving loans and mortgages that really shouldn't have been given, because they're — the folks didn't qualify. You had people
who were borrowing money to buy a house that they couldn't afford. You had credit agencies that were stamping these as A-1 (ph) great investments when they weren't. But you also had banks making money hand-over-fist, churning out products that the bankers themselves didn't even understand in order to make big profits, but knowing that it made the entire system vulnerable.

So what did we do? We stepped in and had the toughest reforms on Wall Street since the 1930s. We said you've got — banks, you've got to raise your capital requirements. You can't engage in some of this risky behavior that is putting Main Street at risk. We're going to make sure that you've got to have a living will, so — so we can know how you're going to wind things down if you make a bad bet so we don't have other taxpayer bailouts.

In the meantime, by the way, we also made sure that all the help that we provided those banks was paid back, every single dime, with interest.

Now, Governor Romney has said he wants to repeal Dodd-Frank, and, you know, I appreciate, and it appears we've got some agreement that a marketplace to work has to have some regulation, but in the past, Governor Romney has said he just wants to repeal Dodd-Frank, roll it back. And so the question is does anybody out there think that the big problem we had is that there was too much oversight and regulation of Wall Street? Because if you do, then Governor Romney is your candidate. But that's not what I believe.

GMR : (Inaudible) — sorry, Jim. That — that's just not — that's just not the facts. Look, we have to have regulation of Wall Street.

PBO : Yeah.

GMR : That — that's why I'd have regulation. But I wouldn't designate five banks as too big to fail and give them a blank check. That's one of the unintended consequences of Dodd-Frank. It wasn't thought through properly. We need to get rid of that provision, because it's killing regional and small banks. They're getting hurt.

Let me mention another regulation of Dodd-Frank. You say we were giving mortgages to people who weren't qualified. That's exactly right. It's one of the reasons for the great financial calamity we had. And so Dodd-Frank correctly says we need to —

JL : All right.

GMR : — have qualified mortgages, and if you give a mortgage that's not qualified, there are big penalties. Except they didn't ever go on to define what a qualified mortgage was.

JL : All right.

GMR : It's been two years. We don't know what a qualified mortgage is yet. So banks are reluctant to make loans, mortgages. Try and get a mortgage these days. It's hurt the housing market —

JL : All right —

GMR : — because Dodd-Frank didn't anticipate putting in place the kinds of regulations you have to have. It's not that Dodd-Frank always was wrong with too much regulation. Sometimes they didn't come out with a clear regulation.

JL : OK.

GMR : I will make sure we don't hurt the functioning of our — of our marketplace and our businesses, because I want to bring back housing and get good jobs.
JL : All right, I think we have another clear difference between the two of you. Now let's move to health care, where I know there is a clear difference — (laughter) — and that has to do with the Affordable Care Act, "Obamacare."

And it's a two-minute new segment, and it's — that means two minutes each. And you go first, Governor Romney. You wanted repeal. You want the Affordable Care Act repealed. Why?

GMR : I sure do. Well, in part, it comes, again, from my experience. I was in New Hampshire. A woman came to me, and she said, look, I can't afford insurance for myself or my son. I met a couple in Appleton, Wisconsin, and they said, we're thinking of dropping our insurance; we can't afford it. And the number of small businesses I've gone to that are saying they're dropping insurance because they can't afford it — the cost of health care is just prohibitive. And — and we've got to deal with cost.

And unfortunately, when — when you look at "Obamacare," the Congressional Budget Office has said it will cost $2,500 a year more than traditional insurance. So it's adding to cost. And as a matter of fact, when the president ran for office, he said that by this year he would have brought down the cost of insurance for each family by $2,500 a family. Instead, it's gone up by that amount. So it's expensive. Expensive things hurt families. So that's one reason I don't want it.

Second reason, it cuts $716 billion from Medicare to pay for it. I want to put that money back in Medicare for our seniors.

Number three, it puts in place an unelected board that's going to tell people, ultimately, what kind of treatments they can have. I don't like that idea.

Fourth, there was a survey done of small businesses across the country. It said, what's been the effect of "Obamacare" on your hiring plans? And three-quarters of them said, it makes us less likely to hire people. I just don't know how the president could have come into office, facing 23 million people out of work, rising unemployment, an economic crisis at the — at the kitchen table and spent his energy and passion for two years fighting for "Obamacare" instead of fighting for jobs for the American people.

It has killed jobs. And the best course for health care is to do what we did in my state, craft a plan at the state level that fits the needs of the state. And then let's focus on getting the costs down for people rather than raising it with the $2,500 additional premium.

JL : Mr. President, the argument against repeal.

PBO : Well, four years ago when I was running for office I was traveling around and having those same conversations that Governor Romney talks about. And it wasn't just that small businesses were seeing costs skyrocket and they couldn't get affordable coverage even if they wanted to provide it to their employees; it wasn't just that this was the biggest driver of our federal deficit, our overall health care costs. But it was families who were worried about going bankrupt if they got sick — millions of families, all across the country.

If they had a pre-existing condition they might not be able to get coverage at all. If they did have coverage, insurance companies might impose an arbitrary limit. And so as a consequence, they're paying their premiums, somebody gets really sick, lo and behold they don't have enough money to pay the bills because the insurance companies say that they've hit the limit. So we did work on this alongside working on jobs, because this is part of making sure that middle-class families are secure in this country.
And let me tell you exactly what "Obamacare" did. Number one, if you've got health insurance it doesn't mean a government take over. You keep your own insurance. You keep your own doctor. But it does say insurance companies can't jerk you around. They can't impose arbitrary lifetime limits. They have to let you keep your kid on their insurance — your insurance plan till you're 26 years old. And it also says that they're — you're going to have to get rebates if insurance companies are spending more on administrative costs and profits than they are on actual care.

Number two, if you don't have health insurance, we're essentially setting up a group plan that allows you to benefit from group rates that are typically 18 percent lower than if you're out there trying to get insurance on the individual market.

Now, the last point I'd make before —

JL: Two minutes —
PBO: — before —
JL: Two minutes is up, sir.
PBO: No, I — I think I've — I had five seconds before you interrupted me — was — (laughter) — that the irony is that we've seen this model work really well in Massachusetts, because Governor Romney did a good thing, working with Democrats in the state to set up what is essentially the identical model. And as a consequence, people are covered there. It hasn't destroyed jobs. And as a consequence, we now have a system in which we have the opportunity to start bringing down cost, as opposed to just —

JL: Your five —
PBO: — leaving millions of people out in the cold.
JL: Your five seconds went away a long time ago. (Laughter.)
PBO: That —
JL: All right, Governor. Governor, tell the — tell the president directly why you think what he just said is wrong about "Obamacare."

GMR: Well, I did with my first statement.
PBO: You did.
GMR: But I'll go on.
PBO: Please elaborate.
GMR: I'll elaborate.

Exactly right.

First of all, I like the way we did it in Massachusetts. I like the fact that in my state, we had Republicans and Democrats come together and work together. What you did instead was to push through a plan without a single Republican vote. As a matter of fact, when Massachusetts did something quite extraordinary, elected a Republican senator to stop "Obamacare," you pushed it through anyway. So entirely on a partisan basis, instead of bringing America together and having a discussion on this important topic, you pushed through something that you and Nancy Pelosi and Harry Reid thought was the best answer and drove it through.
What we did, in a legislature 87 percent Democrat, we worked together. Two hundred legislators in my legislature — only two voted against the plan by the time we were finished.

What were some differences?

We didn't raise taxes. You've raised them by a trillion dollars under "Obamacare." We didn't cut Medicare. Of course, we don't have Medicare, but we didn't cut Medicare by $716 billion. We didn't put in place a board that can tell people ultimately what treatments they're going to receive.

We didn't — we didn't also do something that I think a number of people across this country recognize, which is put — put people in a position where they're going to lose the insurance they had and they wanted. Right now, the CBO says up to 20 million people will lose their insurance as "Obamacare" goes into effect next year. And likewise, a study by McKinsey & Company of American businesses said 30 percent of them are anticipating dropping people from coverage. So for those reasons, for the tax, for Medicare, for this board and for people losing their insurance, this is why the American people don't want — don't want "Obamacare." It's why Republicans said, do not do this.

And the Republicans had a — had a plan. They put a plan out. They put out a plan, a bipartisan plan. It was swept aside. I think something this big, this important has to be done in a bipartisan basis. And we have to have a president who can reach across the aisle and fashion important legislation with the input from both parties.

PBO : Governor Romney said this has to be done on a bipartisan basis. This was a bipartisan idea. In fact, it was a Republican idea.

And Governor Romney, at the beginning of this debate, wrote and said, what we did in Massachusetts could be a model for the nation. And I agree that the Democratic legislators in Massachusetts might have given some advice to Republicans in Congress about how to cooperate, but the fact of the matter is, we used the same advisers, and they say it's the same plan.

It — when Governor Romney talks about this board, for example — unelected board that we've created — what this is, is a group of health care experts, doctors, et cetera, to figure out how can we reduce the cost of care in the system overall, because the — there are two ways of dealing with our health care crisis.

One is to simply leave a whole bunch of people uninsured and let them fend for themselves, to let businesses figure out how long they can continue to pay premiums until finally they just give up and their workers are no longer getting insured, and that's been the trend line. Or, alternatively, we can figure out how do we make the cost of care more effective. And there are ways of doing it.

So at — at Cleveland Clinic, one of the best health care systems in the world, they actually provide great care cheaper than average. And the reason they do is because they do some smart things. They — they say, if a patient's coming in, let's get all the doctors together at once, do one test instead of having the patient run around with 10 tests. Let's make sure that we're providing preventive care so we're catching the onset of something like diabetes. Let's — let's pay providers on the basis of performance as opposed to on the basis of how many procedures they've — they've engaged in. Now, so what this board does is basically identifies best practices and says, let's use the purchasing power of Medicare and Medicaid to help to institutionalize all these good things that we do.

And the fact of the matter is that when "Obamacare" is fully implemented, we're going to be in a position to show that costs are going down. And over the last two years, health care
premiums have gone up, it's true, but they've gone up slower than any time in the last 50 years. So we're already beginning to see progress. In the meantime, folks out there with insurance, you're already getting a rebate.

Let me make one last point. Governor Romney says we should replace it. I'm just going to repeal it, but we can replace it with something. But the problem is he hasn't described what exactly we'd replace it with other than saying we're going to leave it to the states.

But the fact of the matter is that some of the prescriptions that he's offered, like letting you buy insurance across state lines, there's no indication that that somehow is going to help somebody who's got a pre-existing condition be able to finally buy insurance. In fact, it's estimated that by repealing "Obamacare," you're looking at 50 million people losing health insurance at a time when it's vitally important.

JL : Let's let the governor explain what you would do if "Obamacare" is repealed. How would you replace it? What do you have in mind?

GMR : Let — well, actually — actually it's — it's — it's a lengthy description, but number one, pre-existing conditions are covered under my plan. Number two, young people are able to stay on their family plan. That's already offered in the private marketplace; you don't have — have the government mandate that for that to occur.

But let's come back to something the president — I agree on, which is the — the key task we have in health care is to get the costs down so it's more affordable for families, and — and then he has as a model for doing that a board of people at the government, an unelected board, appointed board, who are going to decide what kind of treatment you ought to have.

PBO : No, it isn't.

GMR : In my opinion, the government is not effective in — in bringing down the cost of almost anything. As a matter of fact, free people and free enterprises trying to find ways to do things better are able to be more effective in bringing down the costs than the government will ever be. Your example of the Cleveland clinic is my case in point, along with several others I could describe. This is the private market. These are small — these are enterprises competing with each other, learning how to do better and better jobs.

I used to consult to businesses — excuse me, to hospitals and to health care providers. I was astonished at the creativity and innovation that exists in the American people. In order to bring the cost of health care down, we don't need to have a — an — a board of 15 people telling us what kinds of treatments we should have. We instead need to put insurance plans, providers, hospitals, doctors on targets such that they have an incentive, as you say, performance pay, for doing an excellent job, for keeping costs down, and that's happening.

Intermountain Health Care does it superbly well.

PBO : They do.

GMR : Mayo Clinic is doing it superbly well, Cleveland Clinic, others. But the right answer is not to have the federal government take over health care and start mandating to the providers across America, telling a patient and a doctor what kind of treatment they can have. That's the wrong way to go. The private market and individual responsibility always work best.

PBO : Let me just point out, first of all, this board that we're talking about can't make decisions about what treatments are given. That's explicitly prohibited in the law.
But let's go back to what Governor Romney indicated, that under his plan he would be able to cover people with pre-existing conditions. Well, actually, Governor, that isn't what your plan does. What your plan does is to duplicate what's already the law, which says if you are out of health insurance for three months then you can end up getting continuous coverage and an insurance company can't deny you if you've — if it's been under 90 days.

But that's already the law. And that doesn't help the millions of people out there with pre-existing conditions. There's a reason why Governor Romney set up the plan that he did in Massachusetts. It wasn't a government takeover of health care. It was the largest expansion of private insurance. But what it does say is that insurers, you've got to take everybody. Now, that also means that you've got more customers.

But when Governor Romney says that he'll replace it with something but can't detail how it will be in fact replaced, and the reason he set up the system he did in Massachusetts is because there isn't a better way of dealing with the pre-existing conditions problem, it — it just reminds me of — you know, he says that he's going to close deductions and loopholes for his tax plan.

That's how it's going to be paid for. But we don't know the details. He says that he's going to replace Dodd-Frank, Wall Street reform. But we don't know exactly which ones. He won't tell us. He now says he's going to replace "Obamacare" and assure that all the good things that are in it are going to be in there and you don't have to worry.

And at some point, I think the American people have to ask themselves, is the reason that Governor Romney is keeping all these plans to replace secret because they're too good? Is — is it because that somehow middle-class families are going to benefit too much from them? No, the — the reason is because when we reform Wall Street, when we tackle the problem of pre-existing conditions, then, you know, these are tough problems, and we've got to make choices. And the choices we've made have been ones that ultimately are benefiting middle-class families all across the country.

JL: All right, we're going to move to a —

GMR: No, I — I have to respond to that —

JL: No, but —

GMR: — which is — which is my experience as a governor is if I come in and — and lay down a piece of legislation and say it's my way or the highway, I don't get a lot done. What I do is the same way that Tip O'Neill and Ronald Reagan worked together some years ago. When Ronald Reagan ran for office, he laid out the principles that he was going to foster. He said he was going to lower tax rates. He said he was going to broaden the base. You've said the same thing: You're going to simplify the tax code, broaden the base. Those are my principles.

I want to bring down the tax burden on middle-income families. And I'm going to work together with Congress to say, OK, what are the various ways we could bring down deductions, for instance? One way, for instance, would be to have a single number. Make up a number — 25,000 (dollars), $50,000. Anybody can have deductions up to that amount. And then that number disappears for high-income people. That's one way one could do it. One could follow Bowles-Simpson as a model and take deduction by deduction and make differences that way.

There are alternatives to accomplish the objective I have, which is to bring down rates, broaden the base, simplify the code and create incentives for growth.
And with regards to health care, you had remarkable details with regards to my pre-existing condition plan. You obviously studied up on — on my plan. In fact, I do have a plan that deals with people with pre-existing conditions. That's part of my health care plan. And what we did in Massachusetts is a model for the nation, state by state. And I said that at that time. The federal government taking over health care for the entire nation and whisking aside the 10th Amendment, which gives states the rights for these kinds of things, is not the course for America to have a stronger, more vibrant economy.

JL : That is a terrific segue to our next segment, and is the role of government. And let's see, role of government and it is — you are first on this, Mr. President. The question is this. Do you believe — both of you — but you have the first two minutes on this, Mr. President — do you believe there's a fundamental difference between the two of you as to how you view the mission of the federal government?

PBO : Well, I definitely think there are differences.

JL : And — yeah.

PBO : The first role of the federal government is to keep the American people safe. That's its most basic function. And as commander in chief, that is something that I've worked on and thought about every single day that I've been in the Oval Office.

But I also believe that government has the capacity — the federal government has the capacity to help open up opportunity and create ladders of opportunity and to create frameworks where the American people can succeed. Look, the genius of America is the free enterprise system, and freedom, and the fact that people can go out there and start a business, work on an idea, make their own decisions.

But as Abraham Lincoln understood, there are also some things we do better together.

So in the middle of the Civil War, Abraham Lincoln said, let's help to finance the Transcontinental Railroad. Let's start the National Academy of Sciences. Let's start land grant colleges, because we want to give these gateways of opportunity for all Americans, because if all Americans are getting opportunity, we're all going to be better off. That doesn't restrict people's freedom; that enhances it.

And so what I've tried to do as president is to apply those same principles. And when it comes to education, what I've said is we've got to reform schools that are not working. We use something called Race to the Top. Wasn't a top-down approach, Governor. What we've said is to states, we'll give you more money if you initiate reforms. And as a consequence, you had 46 states around the country who have made a real difference.

But what I've also said is let's hire another hundred thousand math and science teachers to make sure we maintain our technological lead and our people are skilled and able to succeed. And hard-pressed states right now can't all do that. In fact, we've seen layoffs of hundreds of thousands of teachers over the last several years, and Governor Romney doesn't think we need more teachers. I do, because I think that that is the kind of investment where the federal government can help. It can't do it all, but it can make a difference, and as a consequence, we'll have a better-trained workforce, and that will create jobs, because companies want to locate in places where we've got a skilled workforce.

JL : Two minutes, Governor, on the role of government, your view.

GMR : Well, first, I love great schools. Massachusetts, our schools are ranked number one of all 50 states. And the key to great schools: great teachers. So I reject the idea that I don't
believe in great teachers or more teachers. Every school district, every state should make that
decision on their own.

The role of government — look behind us: the Constitution and the Declaration of
Independence.

The role of government is to promote and protect the principles of those documents. First,
life and liberty. We have a responsibility to protect the lives and liberties of our people, and
that means the military, second to none. I do not believe in cutting our military. I believe in
maintaining the strength of America's military.

Second, in that line that says, we are endowed by our Creator with our rights — I believe we
must maintain our commitment to religious tolerance and freedom in this country. That
statement also says that we are endowed by our Creator with the right to pursue happiness as
we choose. I interpret that as, one, making sure that those people who are less fortunate and
can't care for themselves are cared by — by one another.

We're a nation that believes we're all children of the same God. And we care for those that
have difficulties — those that are elderly and have problems and challenges, those that
disabled, we care for them. And we look for discovery and innovation, all these thing desired
out of the American heart to provide the pursuit of happiness for our citizens.

But we also believe in maintaining for individuals the right to pursue their dreams, and not to
have the government substitute itself for the rights of free individuals. And what we're seeing
right now is, in my view, a — a trickle-down government approach which has government
thinking it can do a better job than free people pursuing their dreams. And it's not working.

And the proof of that is 23 million people out of work. The proof of that is one out of six
people in poverty. The proof of that is we've gone from 32 million on food stamps to 47
million on food stamps. The proof of that is that 50 percent of college graduates this year
can't find work.

PBO : (Inaudible) —

GMR : We know that the path we're taking is not working. It's time for a new path.

JL : All right, let's go through some specifics in terms of what — how each of you
views the role of government. How do — education. Does the federal government have a
responsibility to improve the quality of public education in America?

GMR : Well, the primary responsibility for education is — is of course at the state and
local level. But the federal government also can play a very important role. And I — and I
agree with Secretary Arne Duncan. He's — there's some ideas he's put forward on Race to
the Top — not all of them but some of them I agree with, and congratulate him for pursuing
that. The federal government can get local and — and state schools to do a better job.

My own view, by the way, is I've added to that. I happen to believe — I want the kids that
are getting federal dollars from IDEA or — or Title I — these are disabled kids or — or poor
kids or — or lower-income kids, rather. I want them to be able to go to the school of their
choice. So all federal funds, instead of going to the — to the state or to the school district, I'd
have go — if you will, follow the child and let the parent and the child decide where to send
their — their — their student.

JL : How do you see the federal government's responsibility to — as I say, to improve
the quality of public education in this country?
PBO: Well, as I've indicated, I think that it has a significant role to play. Through our Race to the Top program, we've worked with Republican and Democratic governors to initiate major reforms, and they're having an impact right now.

JL: Do you think you have a difference with your views and those of Governor Romney on — about education and the federal government?

PBO: You know, this is where budgets matter because budgets reflect choices. So when Governor Romney indicates that he wants to cut taxes and potentially benefit folks like me and him, and to pay for it, we're having to initiate significant cuts in federal support for education, that makes a difference.

You know, his running mate, Congressman Ryan, put forward a budget that reflects many of the principles that Governor Romney's talked about. And it wasn't very detailed. This seems to be a trend. But — but what it did do is to — if you extrapolated how much money we're talking about, you'd look at cutting the education budget by up to 20 percent.

When it comes to community colleges, we are seeing great work done out there all over the country because we have the opportunity to train people for jobs that exist right now. And one of the things I suspect Governor Romney and I probably agree on is getting businesses to work with community colleges so that they're setting up their training programs —

JL: Do you agree, Governor?

PBO: Let — let — let me just finish the point.

GMR: Oh, yeah. Oh, yeah.

PBO: I suspect it'll be a small agreement.

GMR: It's going over well in my state, by the way, yeah.

PBO: The — where their partnering so that — they're designing training programs, and people who are going through them know that there's a job waiting for them if they complete them. That makes a big difference. But that requires some federal support.

Let me just say one final example. When it comes to making college affordable — whether it's two-year or four-year — one of the things that I did as president was we were sending $60 billion to banks and lenders as middle men for the student loan program, even though the loans were guaranteed. So there was no risk for the banks or the lenders but they were taking billions out of the system.

And we said, why not cut out the middle man? And as a consequence, what we've been able to do is to provide millions more students assistance, lower or keep low interest rates on student loans. And this is an example of where our priorities make a difference. Governor Romney, I genuinely believe, cares about education. But when he tells a student that, you know, you should borrow money from your parents to go to college, you know, that indicates the degree to which, you know, there may not be as much of a focus on the fact that folks like myself, folks like Michelle, kids probably who attend University of Denver just don't have that option.

And for us to be able to make sure that they've got that opportunity and they can walk through that door, that is vitally important — not just to those kids. It's how we're going to grow this economy over the long term.

JL: We're running out of time.
GMR : Jim, Jim —

JL : I'm certainly going give you a chance to respond to that. Yes, sir, Governor.

GMR : Mr. — Mr. President, you're entitled, as the president, to your own airplane and to your own house, but not to your own facts — (laughter) — all right? I'm — I'm not going to cut education funding. I don't have any plan to cut education funding and grants that go to people going to college. I'm planning on continuing to grow, so I'm not planning on making changes there.

But you make a very good point, which is that the — the place you put your money makes a pretty clear indication of where your heart is. You put $90 billion into — into green jobs. And — and I — look, I'm all in favor of green energy. Ninety billion (dollars) — that — that would have — that would have hired 2 million teachers. Ninety billion dollars. And these businesses — many of them have gone out of business. I think about half of them, of the ones have been invested in, they've gone out of business. A number of them happened to be owned by — by people who were contributors to your campaigns.

Look, the right course for — for America's government — we were talking about the role of government — is not to become the economic player picking winners and losers, telling people what kind of health treatment they can receive, taking over the health care system that — that has existed in this country for — for a long, long time and has produced the best health records in the world. The right answer for government is to say, how do we make the private sector become more efficient and more effective?

How do we get schools to be more competitive? Let's grade them. I propose we grade our schools so parents know which schools are succeeding and failing, so they can take their child to a — to a school that's being more successful. I don't — I don't want to cut our commitment to education; I wanted to make it more effective and efficient.

And by the way, I've had that experience. I don't just talk about it. I've been there. Massachusetts schools are ranked number one in the nation. This is not because I didn't have commitment to education. It's because I care about education for all of our kids.

JL : All right, gentlemen, look —

PBO : Jim, I — (inaudible) —

JL : Excuse me, one sec — excuse, me sir. (Laughter.) We've got — we've got — barely have three minutes left. I'm not going to grade the two of you and say you've — your answers have been too long or I've done a poor job —

PBO : You've done a great job, Jim.

JL : Oh, well, no. But the fact is, government — the role of government and governing, we've lost a (pod ?), in other words, so we only have three minutes left in the — in the debate before we go to your closing statements. And so I want to ask finally here — and remember, we've got three minutes total time here.

And the question is this: Many of the legislative functions of the federal government right now are in a state of paralysis as a result of partisan gridlock. If elected in your case, if re-elected in your case, what would you do about that?

Governor?

GMR : Jim, I had the great experience — it didn't seem like it at the time — of being elected in a state where my legislature was 87 percent Democrat, and that meant I figured out
from day one I had to get along and I had to work across the aisle to get anything done. We drove our schools to be number one in the nation. We cut taxes 19 times.

JL : Well, what would you do as president?

GMR : We — as president, I will sit down on day one — actually the day after I get elected, I'll sit down with leaders — the Democratic leaders as well as Republican leaders and — as we did in my state. We met every Monday for a couple hours, talked about the issues and the challenges in the — in the — in our state, in that case. We have to work on a collaborative basis — not because we're going to compromise our principle(s), but because there's common ground.

And the challenges America faces right now — look, the reason I'm in this race is there are people that are really hurting today in this country, and we face — this deficit could crush the future generations. What's happening in the Middle East? There are developments around the world that are of real concern. And Republicans and Democrats both love America, but we need to have leadership — leadership in Washington that will actually bring people together and get the job done and could not care less if it's a Republican or a Democrat. I've done it before. I'll do it again.

JL : Mr. President.

PBO : Well, first of all, I think Governor Romney's going to have a busy first day, because he's also going to repeal "Obamacare," which will not be very popular among Democrats as you're sitting down with them.

(Laughter.)

But look, my philosophy has been I will take ideas from anybody, Democrat or Republican, as long as they're advancing the cause of making middle-class families stronger and giving ladders of opportunity into the middle class. That's how we cut taxes for middle-class families and small businesses. That's how we cut a trillion dollars of spending that wasn't advancing that cause. That's how we signed three trade deals into law that are helping us to double our exports and sell more American products around the world. That's how we repealed "don't ask, don't tell." That's how we ended the war in Iraq, as I promised, and that's how we're going to wind down the war in Afghanistan. That's how we went after al-Qaida and bin Laden.

So we've — we've seen progress even under Republican control of the House or Representatives. But ultimately, part of being principled, part of being a leader is, A, being able to describe exactly what it is that you intend to do, not just saying, I'll sit down, but you have to have a plan.

Number two, what's important is occasionally you've got to say now to — to — to folks both in your own party and in the other party. And you know, yes, have we had some fights between me and the Republicans when they fought back against us, reining in the excesses of Wall Street? Absolutely, because that was a fight that needed to be had. When — when we were fighting about whether or not we were going to make sure that Americans had more security with their health insurance and they said no, yes, that was a fight that we needed to have. And so part of leadership and governing is both saying what it is that you are for, but also being willing to say no to some things.

And I've got to tell you, Governor Romney, when it comes to his own party during the course of this campaign, has not displayed that willingness to say no to some of the more extreme parts of his party.
JL: That brings us to closing statements. There was a coin toss. Governor Romney, you won the toss, and you elected to go last.

So you have a closing two minutes, Mr. President.

PBO: Well, Jim, I want to thank you and I want to thank Governor Romney, because I think this was a terrific debate and I very much appreciate it.

And I want to thank the University of Denver.

You know, four years ago we were going through a major crisis, and yet my faith and confidence in the American future is undiminished. And the reason is because of its people. Because of the woman I met in North Carolina who decided at 55 to go back to school because she wanted to inspire her daughter, and now has a new job from that new training that she's gotten. Because of the company in Minnesota who was willing to give up salaries and perks for their executives to make sure that they didn't lay off workers during a recession. The auto workers that you meet in Toledo or Detroit take such pride in building the best cars in the world — not just because of a paycheck, but because it gives them that sense of pride, that they're helping to build America.

And so the question now is, how do we build on those strengths? And everything that I've tried to do and everything that I'm now proposing for the next four years in terms of improving our education system, or developing American energy, or making sure that we're closing loopholes for companies that are shipping jobs overseas and focusing on small businesses and companies that are creating jobs here in the United States, or — or closing our deficit in a responsible, balanced way that allows us to invest in our future — all those things are designed to make sure that the American people, their genius, their grit, their determination is — is channeled, and — and — and they have an opportunity to succeed.

And everybody's getting a fair shot and everybody's getting a fair share. Everybody's doing a fair share and everybody's playing by the same rules.

You know, four years ago I said that I'm not a perfect man and I wouldn't be a perfect president. And that's probably a promise that Governor Romney thinks I've kept. But I also promised that I'd fight every single day on behalf of the American people and the middle class and all those who are striving to get in the middle class.

I've kept that promise and if you'll vote for me, then I promise I'll fight just as hard in a second term.

JL: Governor Romney, your two-minute closing.

GMR: Thank you, Jim and Mr. President. And thank you for tuning in this evening. This is a — this is an important election. And I'm concerned about America. I'm concerned about the direction America has been taking over the last four years. I know this is bigger than election about the two of us as individuals. It's bigger than our respective parties. It's an election about the course of America — what kind of America do you want to have for yourself and for your children.

And there really are two very different paths that we began speaking about this evening. And over the course of this month we're going to have two more presidential debates and vice presidential debate. We'll talk about those two paths. But they lead in very different directions. And it's not just looking to our words that you have to take in evidence of where they go; you can look at the record.
There's no question in my mind that if the president were to be re-elected you'll continue to see a middle-class squeeze with incomes going down and prices going up. I'll get incomes up again. You'll see chronic unemployment. We've had 43 straight months with unemployment above 8 percent. If I'm president, I will create — help create 12 million new jobs in this country with rising incomes.

If the president's re-elected, "Obamacare" will be fully installed. In my view, that's going to mean a whole different way of life for people who counted on the insurance plan they had in the past. Many will lose it. You're going to see health premiums go up by some $2,500 per — per family. If I'm elected, we won't have "Obamacare." We'll put in place the kind of principles that I put in place in my own state and allow each state to craft their own programs to get people insured. And we'll focus on getting the cost of health care down.

If the president were to be re-elected, you're going to see a $716 billion cut to Medicare. You'll have 4 million people who will lose Medicare advantage. You'll have hospitals and providers that'll no longer accept Medicare patients.

I'll restore that $716 billion to Medicare.

And finally, military. If the president's re-elected, you'll see dramatic cuts to our military. The secretary of defense has said these would be even devastating. I will not cut our commitment to our military. I will keep America strong and get America's middle class working again.

Thank you, Jim.

JL : Thank you, Governor.

Thank you, Mr. President.

The next debate will be the vice presidential event on Thursday, October 11th at Center College in Danville, Kentucky. For now, from the University of Denver, I'm Jim Lehrer. Thank you, and good night. (Cheers, applause.)
TRANSCRIPT: SECOND PRESIDENTIAL DEBATE

October 16, 2012

CC : Good evening from Hofstra University in Hempstead, New York. I'm Candy Crowley from CNN's "State of the Union." We are here for the second presidential debate, a town hall, sponsored by the Commission on Presidential Debates.

The Gallup organization chose 82 uncommitted voters from the New York area. Their questions will drive the night. My goal is to give the conversation direction and to ensure questions get answered.

The questions are known to me and my team only. Neither the commission, nor the candidates have seen them. I hope to get to as many questions as possible.

And because I am the optimistic sort, I'm sure the candidates will oblige by keeping their answers concise and on point.

Each candidate has as much as two minutes to respond to a common question, and there will be a two-minute follow-up. The audience here in the hall has agreed to be polite and attentive -- no cheering or booing or outbursts of any sort.

We will set aside that agreement just this once to welcome President Barack Obama and Governor Mitt Romney.

(APPLAUSE)

Gentlemen, thank you both for joining us here tonight. We have a lot of folks who've been waiting all day to talk to you, so I want to get right to it.

Governor Romney, as you know, you won the coin toss, so the first question will go to you. And I want to turn to a first-time voter, Jeremy Epstein, who has a question for you.

Q : Mr. President, Governor Romney, as a 20-year-old college student, all I hear from professors, neighbors and others is that when I graduate, I will have little chance to get employment. What can you say to reassure me, but more importantly my parents, that I will be able to sufficiently support myself after I graduate?

GMR : Thank you, Jeremy. I appreciate your question, and thank you for being here this evening and to all of those from Nassau County that have come, thank you for your time. Thank you to Hofstra University and to Candy Crowley for organizing and leading this event.

Thank you, Mr. President, also for being part of this debate.

Your question is one that's being asked by college kids all over this country. I was in Pennsylvania with someone who had just graduated -- this was in Philadelphia -- and she said, "I've got my degree. I can't find a job. I've got three part-time jobs. They're just barely enough to pay for my food and pay for an apartment. I can't begin to pay back my student loans."

So what we have to do is two things. We have to make sure that we make it easier for kids to afford college.

And also make sure that when they get out of college, there's a job. When I was governor of Massachusetts, to get a high school degree, you had to pass an exam. If you graduated in the
top quarter of your airlines, we gave you a John and Abigail Adams scholarship, four years tuition free in the college of your choice in Massachusetts, it's a public institution.

I want to make sure we keep our Pell grant program growing. We're also going to have our loan program, so that people are able to afford school. But the key thing is to make sure you can get a job when you get out of school. And what's happened over the last four years has been very, very hard for America's young people. I want you to be able to get a job.

I know what it takes to get this economy going. With half of college kids graduating this year without a college -- excuse me, without a job. And without a college level job, that's just unacceptable.

And likewise you've got more and more debt on your back. So more debt and less jobs. I'm going to change that. I know what it takes to create good jobs again. I know what it takes to make sure that you have the kind of opportunity you deserve. And kids across this country are going to recognize, we're bringing back an economy.

It's not going to be like the last four years. The middle-class has been crushed over the last four years, and jobs have been too scarce. I know what it takes to bring them back, and I'm going to do that, and make sure that when you graduate -- when do you graduate?


CC: Mr. President?

PBO: Jeremy, first of all, your future is bright. And the fact that you're making an investment in higher education is critical. Not just to you, but to the entire nation. Now, the most important thing we can do is to make sure that we are creating jobs in this country. But not just jobs, good paying jobs. Ones that can support a family.

And what I want to do, is build on the five million jobs that we've created over the last 30 months in the private sector alone. And there are a bunch of things we can do to make sure your future is bright.

Number one, I want to build manufacturing jobs in this country again. Now when Governor Romney said we should let Detroit go bankrupt. I said we're going to bet on American workers and the American auto industry and it's come surging back.

I want to do that in industries, not just in Detroit, but all across the country and that means we change our tax code so we're giving incentives to companies that are investing here in the United States and creating jobs here.

It also means we're helping them and small businesses to export all around the world to new markets.

Number two, we've got to make sure that we have the best education system in the world. And the fact that you're going to college is great, but I want everybody to get a great education and we've worked hard to make sure that student loans are available for folks like you, but I also want to make sure that community colleges are offering slots for workers to get retrained for the jobs that are out there right now and the jobs of the future.

Number three, we've got to control our own energy. Now, not only oil and natural gas, which we've been investing in; but also, we've got to make sure we're building the energy source of
the future, not just thinking about next year, but ten years from now, 20 years from now. That's why we've invested in solar and wind and biofuels, energy efficient cars.

We've got to reduce our deficit, but we've got to do it in a balanced way. Asking the wealthy to pay a little bit more along with cuts so that we can invest in education like yours.

And let's take the money that we've been spending on war over the last decade to rebuild America, roads, bridges schools. We do those things, not only is your future going to be bright but America's future is going to bright as well.

CC : Let me ask you for more immediate answer and begin with Mr. Romney just quickly what -- what can you do? We're looking at a situation where 40 percent of the unemployed have been unemployed have been unemployed for six months or more. They don't have the two years that Jeremy has.

What about those long term unemployed who need a job right now?

GMR : Well what you're seeing in this country is 23 million people struggling to find a job. And a lot of them, as you say, Candy, have been out of work for a long, long, long time. The president's policies have been exercised over the last four years and they haven't put Americans back to work.

We have fewer people working today than we had when the president took office. If the -- the unemployment rate was 7.8 percent when he took office, it's 7.8 percent now. But if you calculated that unemployment rate, taking back the people who dropped out of the workforce, it would be 10.7 percent.

We have not made the progress we need to make to put people back to work. That's why I put out a five-point plan that gets America 12 million new jobs in four years and rising take-home pay. It's going to help Jeremy get a job when he comes out of school. It's going to help people across the country that are unemployed right now.

And one thing that the president said, which I want to make sure that we understand, he said that I said we should take Detroit bankrupt. And that's right. My plan was to have the company go through bankruptcy like 7-Eleven did and Macy's and Condell (ph) Airlines and come out stronger.

And I know he keeps saying, you want to take Detroit bankrupt. Well, the president took Detroit bankrupt. You took General Motors bankrupt. You took Chrysler bankrupt. So when you say that I wanted to take the auto industry bankrupt, you actually did.

And I think it's important to know that that was a process that was necessary to get those companies back on their feet, so they could start hiring more people. That was precisely what I recommended and ultimately what happened.

CC : Let me give the president a chance. Go ahead.

PBO : Candy, what Governor Romney said just isn't true. He wanted to take them into bankruptcy without providing them any way to stay open. And we would have lost a million jobs. And that -- don't take my word for it, take the executives at GM and Chrysler, some of whom are Republicans, may even support Governor Romney. But they'll tell you his prescription wasn't going to work.

And Governor Romney's says he's got a five-point plan? Governor Romney doesn't have a five-point plan. He has a one-point plan. And that plan is to make sure that folks at the top
play by a different set of rules. That's been his philosophy in the private sector, that's been his philosophy as governor, that's been his philosophy as a presidential candidate.

You can make a lot of money and pay lower tax rates than somebody who makes a lot less. You can ship jobs overseas and get tax breaks for it. You can invest in a company, bankrupt it, lay off the workers, strip away their pensions, and you still make money.

That's exactly the philosophy that we've seen in place for the last decade. That's what's been squeezing middle class families.

And we have fought back for four years to get out of that mess. The last thing we need to do is to go back to the very same policies that got us there.

CC : Mr. President, the next question is going to be for you here.

And, Mr. Romney -- Governor Romney -- there'll be plenty of chances here to go on, but I want to...

GMR : That -- that Detroit -- that Detroit answer...

CC : We have all these folks.

GMR : ... that Detroit answer...

CC : I will let you absolutely...

GMR : ... and the rest of the answer, way off the mark.

CC : OK. Will -- will -- you certainly will have lots of time here coming up.

Because I want to move you on to something that's sort of connected to cars here, and -- and go over. And we want to get a question from Phillip Tricolla.

Q : Your energy secretary, Steven Chu, has now been on record three times stating it's not policy of his department to help lower gas prices. Do you agree with Secretary Chu that this is not the job of the Energy Department?

PBO : The most important thing we can do is to make sure we control our own energy. So here's what I've done since I've been president. We have increased oil production to the highest levels in 16 years.

Natural gas production is the highest it's been in decades. We have seen increases in coal production and coal employment. But what I've also said is we can't just produce traditional source of energy. We've also got to look to the future. That's why we doubled fuel efficiency standards on cars. That means that in the middle of the next decade, any car you buy, you're going to end up going twice as far on a gallon of gas. That's why we doubled clean -- clean energy production like wind and solar and biofuels.

And all these things have contributed to us lowering our oil imports to the lowest levels in 16 years. Now, I want to build on that. And that means, yes, we still continue to open up new areas for drilling. We continue to make it a priority for us to go after natural gas. We've got potentially 600,000 jobs and 100 years worth of energy right beneath our feet with natural gas.

And we can do it in an environmentally sound way. But we've also got to continue to figure out how we have efficiency energy, because ultimately that's how we're going to reduce demand and that's what's going to keep gas prices lower.
Now, Governor Romney will say he's got an all-of-the-above plan, but basically his plan is to let the oil companies write the energy policies. So he's got the oil and gas part, but he doesn't have the clean energy part. And if we are only thinking about tomorrow or the next day and not thinking about 10 years from now, we're not going to control our own economic future. Because China, Germany, they're making these investments. And I'm not going to cede those jobs of the future to those countries. I expect those new energy sources to be built right here in the United States.

That's going to help Jeremy get a job. It's also going to make sure that you're not paying as much for gas.

**CC**: Governor, on the subject of gas prices?

**GMR**: Well, let's look at the president's policies, all right, as opposed to the rhetoric, because we've had four years of policies being played out. And the president's right in terms of the additional oil production, but none of it came on federal land. As a matter of fact, oil production is down 14 percent this year on federal land, and gas production was down 9 percent. Why? Because the president cut in half the number of licenses and permits for drilling on federal lands, and in federal waters.

So where'd the increase come from? Well a lot of it came from the Bakken Range in North Dakota. What was his participation there? The administration brought a criminal action against the people drilling up there for oil, this massive new resource we have. And what was the cost? 20 or 25 birds were killed and brought out a migratory bird act to go after them on a criminal basis.

Look, I want to make sure we use our oil, our coal, our gas, our nuclear, our renewables. I believe very much in our renewable capabilities; ethanol, wind, solar will be an important part of our energy mix.

But what we don't need is to have the president keeping us from taking advantage of oil, coal and gas. This has not been Mr. Oil, or Mr. Gas, or Mr. Coal. Talk to the people that are working in those industries. I was in coal country. People grabbed my arms and said, "Please save my job." The head of the EPA said, "You can't build a coal plant. You'll virtually -- it's virtually impossible given our regulations." When the president ran for office, he said if you build a coal plant, you can go ahead, but you'll go bankrupt. That's not the right course for America.

Let's take advantage of the energy resources we have, as well as the energy sources for the future. And if we do that, if we do what I'm planning on doing, which is getting us energy independent, North America energy independence within eight years, you're going to see manufacturing jobs come back. Because our energy is low cost, that are already beginning to come back because of our abundant energy. I'll get America and North America energy independent. I'll do it by more drilling, more permits and licenses.

We're going to bring that pipeline in from Canada. How in the world the president said no to that pipeline? I will never know.

This is about bringing good jobs back for the middle class of America, and that's what I'm going to do.

**CC**: Mr. President, let me just see if I can move you to the gist of this question, which is, are we looking at the new normal? I can tell you that tomorrow morning, a lot of people in Hempstead will wake up and fill up and they will find that the price of gas is over $4 a gallon.
Is it within the purview of the government to bring those prices down, or are we looking at the new normal?

**PBO**: Candy, there's no doubt that world demand's gone up, but our production is going up, and we're using oil more efficiently. And very little of what Governor Romney just said is true. We've opened up public lands. We're actually drilling more on public lands than in the previous administration and my -- the previous president was an oil man.

And natural gas isn't just appearing magically. We're encouraging it and working with the industry.

And when I hear Governor Romney say he's a big coal guy, I mean, keep in mind, when -- Governor, when you were governor of Massachusetts, you stood in front of a coal plant and pointed at it and said, "This plant kills," and took great pride in shutting it down. And now suddenly you're a big champion of coal.

So what I've tried to do is be consistent. With respect to something like coal, we made the largest investment in clean coal technology, to make sure that even as we're producing more coal, we're producing it cleaner and smarter. Same thing with oil, same thing with natural gas.

And the proof is our oil imports are down to the lowest levels in 20 years. Oil production is up, natural gas production is up, and, most importantly, we're also starting to build cars that are more efficient.

And that's creating jobs. That means those cars can be exported, 'cause that's the demand around the world, and it also means that it'll save money in your pocketbook.

**PBO**: That's the strategy you need, an all-of-the-above strategy, and that's what we're going to do in the next four years.

**GMR**: But that's not what you've done in the last four years. That's the problem. In the last four years, you cut permits and licenses on federal land and federal waters in half.

**PBO**: Not true, Governor Romney.

**GMR**: So how much did you cut (inaudible)?

**PBO**: Not true.

**GMR**: How much did you cut them by, then?

**PBO**: Governor, we have actually produced more oil --

**GMR**: No, no. How much did you cut licenses and permits on federal land and federal waters?

**PBO**: Governor Romney, here's what we did. There were a whole bunch of oil companies.

(CROSSTALK)

**GMR**: No, no, I had a question and the question was how much did you cut them by?

**PBO**: You want me to answer a question --

**GMR**: How much did you cut them by?
PBO: I'm happy to answer the question.

GMR: All right. And it is --

PBO: Here's what happened. You had a whole bunch of oil companies who had leases on public lands that they weren't using. So what we said was you can't just sit on this for 10, 20, 30 years, decide when you want to drill, when you want to produce, when it's most profitable for you. These are public lands. So if you want to drill on public lands, you use it or you lose it.

GMR: OK, (inaudible) --

PBO: And so what we did was take away those leases. And we are now reletting them so that we can actually make a profit.

GMR: And production on private -- on government land --

PBO: Production is up.

GMR: -- is down.

PBO: No, it isn't.

GMR: Production on government land of oil is down 14 percent.

PBO: Governor --

GMR: And production on gas --

(CROSSTALK)

PBO: It's just not true.

GMR: It's absolutely true. Look, there's no question but the people recognize that we have not produced more (inaudible) on federal lands and in federal waters. And coal, coal production is not up; coal jobs are not up.

I was just at a coal facility, where some 1,200 people lost their jobs. The right course for America is to have a true all-of-the-above policy. I don't think anyone really believes that you're a person who's going to be pushing for oil and gas and coal. You'll get your chance in a moment. I'm still speaking.

PBO: Well --

GMR: And the answer is I don't believe people think that's the case --

PBO: -- (inaudible).

GMR: That wasn't the question.

PBO: OK.

GMR: That was a statement. I don't think the American people believe that. I will fight for oil, coal and natural gas. And the proof, the proof of whether a strategy is working or not is what the price is that you're paying at the pump. If you're paying less than you paid a year or two ago, why, then, the strategy is working. But you're paying more. When the president took office, the price of gasoline here in Nassau County was about $1.86 a gallon. Now, it's $4.00 a gallon. The price of electricity is up.

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If the president's energy policies are working, you're going to see the cost of energy come down. I will fight to create more energy in this country, to get America energy secure. And part of that is bringing in a pipeline of oil from Canada, taking advantage of the oil and coal we have here, drilling offshore in Alaska, drilling offshore in Virginia where the people want it. Those things will get us the energy we need.

CC : Mr. President, could you address, because we did finally get to gas prices here, could you address what the governor said, which is if your energy policy was working, the price of gasoline would not be $4 a gallon here. Is that true?

PBO : Well, think about what the governor -- think about what the governor just said. He said when I took office, the price of gasoline was $1.80, $1.86. Why is that? Because the economy was on the verge of collapse, because we were about to go through the worst recession since the Great Depression, as a consequence of some of the same policies that Governor Romney's now promoting.

So, it's conceivable that Governor Romney could bring down gas prices because with his policies, we might be back in that same mess.

What I want to do is to create an economy that is strong, and at the same time produce energy. And with respect to this pipeline that Governor Romney keeps on talking about, we've -- we've built enough pipeline to wrap around the entire earth once.

So, I'm all for pipelines. I'm all for oil production. What I'm not for is us ignoring the other half of the equation. So, for example, on wind energy, when Governor Romney says "these are imaginary jobs." When you've got thousands of people right now in Iowa, right now in Colorado, who are working, creating wind power with good-paying manufacturing jobs, and the Republican senator in that -- in Iowa is all for it, providing tax breaks (ph) to help this work and Governor Romney says I'm opposed. I'd get rid of it.

That's not an energy strategy for the future. And we need to win that future. And I intend to win it as President of the United States.

CC : I got to -- I got to move you on --

GMR : He gets the first --

CC : -- and the next question --

GMR : He actually got --

CC : -- for you --

GMR : He actually got the first question. So I get the last question -- last answer --

CC : (Inaudible) in the follow up, it doesn't quite work like that. But I'm going to give you a chance here. I promise you, I'm going to.

And the next question is for you. So if you want to, you know, continue on -- but I don't want to leave all --

GMR : Candy, Candy --

CC : -- sitting here --

GMR : Candy, I don't have a policy of stopping wind jobs in Iowa and that -- they're not phantom jobs. They're real jobs.
CC : OK.

GMR : I appreciate wind jobs in Iowa and across our country. I appreciate the jobs in coal and oil and gas. I'm going to make sure --

CC : OK.

GMR : -- we're taking advantage of our energy resources. We'll bring back manufacturing to America. We're going to get through a very aggressive energy policy, 31/2 million more jobs in this country. It's critical to our future.

PBO : Candy, it's not going to --

CC : We're going to move you along --

PBO : Used to being interrupted.

CC : We're going to move you both along to taxes over here and all these folks that have been waiting.

Governor, this question is for you. It comes from Mary Follano -- Follano, sorry.

GMR : Hi, Mary.

Q : Governor Romney, you have stated that if you're elected president, you would plan to reduce the tax rates for all the tax brackets and that you would work with the Congress to eliminate some deductions in order to make up for the loss in revenue.

Concerning the -- these various deductions, the mortgage deductions, the charitable deductions, the child tax credit and also the -- oh, what's that other credit? I forgot.

PBO : You're doing great.

Q : Oh, I remember.

The education credits, which are important to me, because I have children in college. What would be your position on those things, which are important to the middle class?

GMR : Thank you very much. And let me tell you, you're absolutely right about part of that, which is I want to bring the rates down, I want to simplify the tax code, and I want to get middle-income taxpayers to have lower taxes.

And the reason I want middle-income taxpayers to have lower taxes is because middle-income taxpayers have been buried over the past four years. You've seen, as middle-income people in this country, incomes go down $4,300 a family, even as gasoline prices have gone up $2,000. Health insurance premiums, up $2,500. Food prices up. Utility prices up.

The middle-income families in America have been crushed over the last four years. So I want to get some relief to middle-income families. That's part -- that's part one.

Now, how about deductions? 'Cause I'm going to bring rates down across the board for everybody, but I'm going to limit deductions and exemptions and credits, particularly for people at the high end, because I am not going to have people at the high end pay less than they're paying now.

The top 5 percent of taxpayers will continue to pay 60 percent of the income tax the nation collects. So that'll stay the same.
Middle-income people are going to get a tax break.

And so, in terms of bringing down deductions, one way of doing that would be say everybody gets -- I'll pick a number -- $25,000 of deductions and credits, and you can decide which ones to use. Your home mortgage interest deduction, charity, child tax credit, and so forth, you can use those as part of filling that bucket, if you will, of deductions.

But your rate comes down and the burden also comes down on you for one more reason, and that is every middle-income taxpayer no longer will pay any tax on interest, dividends or capital gains. No tax on your savings. That makes life a lot easier.

If you're getting interest from a bank, if you're getting a statement from a mutual fund or any other kind of investment you have, you don't have to worry about filing taxes on that, because there'll be no taxes for anybody making $200,000.00 per year and less, on your interest, dividends and capital gains. Why am I lowering taxes on the middle-class? Because under the last four years, they've been buried. And I want to help people in the middle-class.

And I will not -- I will not under any circumstances, reduce the share that's being paid by the highest income taxpayers. And I will not, under any circumstances increase taxes on the middle-class. The president's spending, the president's borrowing will cost this nation to have to raise taxes on the American people. Not just at the high end. A recent study has shown the people in the middle-class will see $4,000.00 per year in higher taxes as a result of the spending and borrowing of this administration.

I will not let that happen. I want to get us on track to a balanced budget, and I'm going to reduce the tax burden on middle income families. And what's that going to do? It's going to help those families, and it's going to create incentives to start growing jobs again in this country.

CC : Thanks, Governor.

PBO : My philosophy on taxes has been simple. And that is, I want to give middle-class families and folks who are striving to get into the middle-class some relief. Because they have been hit hard over the last decade. Over the last 15, over the last 20 years.

So four years ago I stood on a stage just like this one. Actually it was a town hall, and I said I would cut taxes for middle-class families, and that's what I've done, by $3,600.00. I said I would cut taxes for small businesses, who are the drivers and engines of growth. And we've cut them 18 times. And I want to continue those tax cuts for middle-class families, and for small business.

But what I've also said is, if we're serious about reducing the deficit, if this is genuinely a moral obligation to the next generation, then in addition to some tough spending cuts, we've also got to make sure that the wealthy do a little bit more.

So what I've said is, your first $250,000.00 worth of income, no change. And that means 98 percent of American families, 97 percent of small businesses, they will not see a tax increase. I'm ready to sign that bill right now. The only reason it's not happening is because Governor Romney's allies in Congress have held the 98 percent hostage because they want tax breaks for the top 2 percent.

But what I've also says is for above $250,000, we can go back to the tax rates we had when Bill Clinton was president. We created 23 million new jobs. That's part of what took us from deficits to surplus. It will be good for our economy and it will be good for job creation.
Now, Governor Romney has a different philosophy. He was on 60 Minutes just two weeks ago and he was asked: Is it fair for somebody like you, making $20 million a year, to pay a lower tax rate than a nurse or a bus driver, somebody making $50,000 a year? And he said, "Yes, I think that's fair." Not only that, he said, "I think that's what grows the economy."

Well, I fundamentally disagree with that. I think what grows the economy is when you get that tax credit that we put in place for your kids going to college. I think that grows the economy. I think what grows the economy is when we make sure small businesses are getting a tax credit for hiring veterans who fought for our country. That grows our economy.

So we just have a different theory. And when Governor Romney stands here, after a year of campaigning, when during a Republican primary he stood on stage and said "I'm going to give tax cuts" -- he didn't say tax rate cuts, he said "tax cuts to everybody," including the top 1 percent, you should believe him because that's been his history.

And that's exactly the kind of top-down economics that is not going to work if we want a strong middle class and an economy that's striving for everybody.

CC : Governor Romney, I'm sure you've got a reply there.

GMR : You're absolutely right.

You heard what I said about my tax plan. The top 5 percent will continue to pay 60 percent, as they do today. I'm not looking to cut taxes for wealthy people. I am looking to cut taxes for middle-income people.

And why do I want to bring rates down, and at the same time lower exemptions and deductions, particularly for people at the high end? Because if you bring rates down, it makes it easier for small business to keep more of their capital and hire people.

And for me, this is about jobs. I want to get America's economy going again. Fifty-four percent of America's workers work in businesses that are taxed as individuals. So when you bring those rates down, those small businesses are able to keep more money and hire more people.

For me, I look at what's happened in the last four years and say this has been a disappointment. We can do better than this. We don't have to settle for, how many months, 43 months with unemployment above 8 percent, 23 million Americans struggling to find a good job right now.

There are 3.5 million more women living in poverty today than when the president took office.

We don't have to live like this. We can get this economy going again. My five-point plan does it. Energy independence for North America in five years. Opening up more trade, particularly in Latin America. Cracking down on China when they cheat. Getting us to a balanced budget. Fixing our training programs for our workers. And finally, championing small business.

I want to make small businesses grow and thrive. I know how to make that happen. I spent my life in the private sector. I know why jobs come and why they go. And they're going now because of the policies of this administration.

CC : Governor, let me ask the president something about what you just said.
The governor says that he is not going to allow the top 5 percent, believe is what he said, to have a tax cut, that it will all even out, that what he wants to do is give that tax cut to the middle class. Settled?

PBO : No, it's not settled.

Look, the cost of lowering rates for everybody across the board, 20 percent. Along with what he also wants to do in terms of eliminating the estate tax, along what he wants to do in terms of corporates, changes in the tax code, it costs about $5 trillion.

Governor Romney then also wants to spend $2 trillion on additional military programs even though the military's not asking for them. That's $7 trillion.

He also wants to continue the Bush tax cuts for the wealthiest Americans. That's another trillion dollars -- that's $8 trillion.

Now, what he says is he's going to make sure that this doesn't add to the deficit and he's going to cut middleclass taxes.

But when he's asked, how are you going to do it, which deductions, which loopholes are you going to close? He can't tell you.

The -- the fact that he only has to pay 14 percent on his taxes when a lot of you are paying much higher. He's already taken that off the board, capital gains are going to continue to be at a low rate so we -- we're not going to get money that way.

We haven't heard from the governor any specifics beyond Big Bird and eliminating funding for Planned Parenthood in terms of how he pays for that.

Now, Governor Romney was a very successful investor. If somebody came to you, Governor, with a plan that said, here, I want to spend $7 or $8 trillion, and then we're going to pay for it, but we can't tell you until maybe after the election how we're going to do it, you wouldn't take such a sketchy deal and neither should you, the American people, because the math doesn't add up.

And -- and what's at stake here is one of two things, either Candy -- this blows up the deficit because keep in mind, this is just to pay for the additional spending that he's talking about, $7 trillion - $8 trillion before we even get to the deficit we already have. Or, alternatively, it's got to be paid for, not only by closing deductions for wealthy individuals, that -- that will pay for about 4 percent reduction in tax rates.

You're going to be paying for it. You're going to lose some deductions, and you can't buy the sales pitch. Nobody who's looked at it that's serious, actually believes it adds up.

CC : Mr. President, let me get -- let me get the governor in on this. And Governor, let's-- before we get into a...

GMR : I -- I...

CC : ...vast array of who says -- what study says what, if it shouldn't add up. If somehow when you get in there, there isn't enough tax revenue coming in. If somehow the numbers don't add up, would you be willing to look again at a 20 percent...

GMR : Well of course they add up. I -- I was -- I was someone who ran businesses for 25 years, and balanced the budget. I ran the Olympics and balanced the budget. I ran the -- the state of Massachusetts as a governor, to the extent any governor does, and balanced the budget all four years. When we're talking about math that doesn't add up, how about $4
trillion of deficits over the last four years, $5 trillion? That's math that doesn't add up. We have -- we have a president talking about someone's plan in a way that's completely foreign to what my real plan is.

GMR : And then we have his own record, which is we have four consecutive years where he said when he was running for office, he would cut the deficit in half. Instead he's doubled it. We've gone from $10 trillion of national debt, to $16 trillion of national debt. If the president were reelected, we'd go to almost $20 trillion of national debt. This puts us on a road to Greece. I know what it takes to balance budgets. I've done it my entire life. So for instance when he says, "Yours is a $5 trillion cut." Well, no it's not. Because I'm offsetting some of the reductions with holding down some of the deductions.

And...

CC : Governor, I've gotta -- gotta -- actually, I need to have you both (inaudible).

(CROSSTALK)

I understand the stakes here. I understand both of you. But I -- I will get run out of town if I don't...

(CROSSTALK)

GMR : And I just described -- I just described to you, Mr. President -- I just described to you precisely how I'd do it which is with a single number that people can put -- and they can put they're -- they're deductions and credits...

(CROSSTALK)

CC : Mr. President, we're keeping track, I promise you. And Mr. President, the next question is for you, so stay standing.

PBO : Great. Looking forward to it.

And it's Katherine Fenton, who has a question for you.

Q : In what new ways to you intend to rectify the inequalities in the workplace, specifically regarding females making only 72 percent of what their male counterparts earn?

PBO : Well, Katherine, that's a great question. And, you know, I was raised by a single mom who had to put herself through school while looking after two kids. And she worked hard every day and made a lot of sacrifices to make sure we got everything we needed. My grandmother, she started off as a secretary in a bank. She never got a college education, even though she was smart as a whip. And she worked her way up to become a vice president of a local bank, but she hit the glass ceiling. She trained people who would end up becoming her bosses during the course of her career.

She didn't complain. That's not what you did in that generation. And this is one of the reasons why one of the first -- the first bill I signed was something called the Lily Ledbetter bill. And it's named after this amazing woman who had been doing the same job as a man for years, found out that she was getting paid less, and the Supreme Court said that she couldn't bring suit because she should have found about it earlier, whereas she had no way of finding out about it. So we fixed that. And that's an example of the kind of advocacy that we need, because women are increasingly the breadwinners in the family. This is not just a women's issue, this is a family issue, this is a middle-class issue, and that's why we've got to fight for it.
It also means that we've got to make sure that young people like yourself are able to afford a college education. Earlier, Governor Romney talked about how he wants to make Pell Grants and other education accessible for young people.

Well, the truth of the matter is, is that that's exactly what we've done. We've expanded Pell Grants for millions of people, including millions of young women, all across the country.

We did it by taking $60 billion that was going to banks and lenders as middlemen for the student loan program, and we said, let's just cut out the middleman. Let's give the money directly to students.

And as a consequence, we've seen millions of young people be able to afford college, and that's going to make sure that young women are going to be able to compete in that marketplace.

But we've got to enforce the laws, which is what we are doing, and we've also got to make sure that in every walk of life we do not tolerate discrimination.

That's been one of the hallmarks of my administration. I'm going to continue to push on this issue for the next four years.

CC : Governor Romney, pay equity for women?

GMR : Thank you. An important topic, and one which I learned a great deal about, particularly as I was serving as governor of my state, because I had the chance to pull together a cabinet and all the applicants seemed to be men.

And I -- and I went to my staff, and I said, "How come all the people for these jobs are -- are all men." They said, "Well, these are the people that have the qualifications." And I said, "Well, gosh, can't we -- can't we find some -- some women that are also qualified?"

And -- and so we -- we took a concerted effort to go out and find women who had backgrounds that could be qualified to become members of our cabinet.

I went to a number of women's groups and said, "Can you help us find folks," and they brought us whole binders full of women.

I was proud of the fact that after I staffed my Cabinet and my senior staff, that the University of New York in Albany did a survey of all 50 states, and concluded that mine had more women in senior leadership positions than any other state in America.

Now one of the reasons I was able to get so many good women to be part of that team was because of our recruiting effort. But number two, because I recognized that if you're going to have women in the workforce that sometimes you need to be more flexible. My chief of staff, for instance, had two kids that were still in school.

She said, I can't be here until 7 or 8 o'clock at night. I need to be able to get home at 5 o'clock so I can be there for making dinner for my kids and being with them when they get home from school. So we said fine. Let's have a flexible schedule so you can have hours that work for you.

We're going to have to have employers in the new economy, in the economy I'm going to bring to play, that are going to be so anxious to get good workers they're going to be anxious to hire women. In the -- in the last women have lost 580,000 jobs. That's the net of what's happened in the last four years. We're still down 580,000 jobs. I mentioned 31/2 million women, more now in poverty than four years ago.
What we can do to help young women and women of all ages is to have a strong economy, so strong that employers that are looking to find good employees and bringing them into their workforce and adapting to a flexible work schedule that gives women opportunities that they would otherwise not be able to afford.

This is what I have done. It's what I look forward to doing and I know what it takes to make an economy work, and I know what a working economy looks like. And an economy with 7.8 percent unemployment is not a real strong economy. An economy that has 23 million people looking for work is not a strong economy.

An economy with 50 percent of kids graduating from college that can't finds a job, or a college level job, that's not what we have to have.

CC : Governor?

ROMNEY: I'm going to help women in America get good work by getting a stronger economy and by supporting women in the workforce.

CC : Mr. President why don't you get in on this quickly, please?

PBO : Katherine, I just want to point out that when Governor Romney's campaign was asked about the Lilly Ledbetter bill, whether he supported it? He said, "I'll get back to you." And that's not the kind of advocacy that women need in any economy. Now, there are some other issues that have a bearing on how women succeed in the workplace. For example, their healthcare. You know a major difference in this campaign is that Governor Romney feels comfortable having politicians in Washington decide the health care choices that women are making.

I think that's a mistake. In my health care bill, I said insurance companies need to provide contraceptive coverage to everybody who is insured. Because this is not just a -- a health issue, it's an economic issue for women. It makes a difference. This is money out of that family's pocket. Governor Romney not only opposed it, he suggested that in fact employers should be able to make the decision as to whether or not a woman gets contraception through her insurance coverage.

That's not the kind of advocacy that women need. When Governor Romney says that we should eliminate funding for Planned Parenthood, there are millions of women all across the country, who rely on Planned Parenthood for, not just contraceptive care, they rely on it for mammograms, for cervical cancer screenings. That's a pocketbook issue for women and families all across the country. And it makes a difference in terms of how well and effectively women are able to work. When we talk about child care, and the credits that we're providing. That makes a difference in whether they can go out there and -- and earn a living for their family.

These are not just women's issues. These are family issues. These are economic issues.

And one of the things that makes us grow as an economy is when everybody participates and women are getting the same fair deal as men are.

CC : Mr. President...

PBO : And I've got two daughters and I want to make sure that they have the same opportunities that anybody's sons have. That's part of what I'm fighting for as president of the United States.

CC : I want to move us along here to Susan Katz, who has a question.
And, Governor, it's for you. QUESTION: Governor Romney, I am an undecided voter, because I'm disappointed with the lack of progress I've seen in the last four years. However, I do attribute much of America's economic and international problems to the failings and missteps of the Bush administration.

Since both you and President Bush are Republicans, I fear a return to the policies of those years should you win this election. What is the biggest difference between you and George W. Bush, and how do you differentiate yourself from George W. Bush?

GMR : Thank you. And I appreciate that question.

I just want to make sure that, I think I was supposed to get that last answer, but I want to point out that that I don't believe...

PBO : I don't think so, Candy.

GMR : ... I don't believe...

PBO : I want to make sure our timekeepers are working here.

GMR : The time -- the time...

CC : OK. The timekeepers are all working. And let me tell you that the last part, it's for the two of you to talk to one another, and it isn't quite as (inaudible) you think.

But go ahead and use this two minutes any way you'd like to, the question is on the floor.

GMR : I'd just note that I don't believe that bureaucrats in Washington should tell someone whether they can use contraceptives or not. And I don't believe employers should tell someone whether they could have contraceptive care of not. Every woman in America should have access to contraceptives. And -- and the -- and the president's statement of my policy is completely and totally wrong.

PBO : Governor...

GMR : Let me come back and -- and answer your question.

President Bush and I are -- are different people and these are different times and that's why my five point plan is so different than what he would have done.

I mean for instance, we can now, by virtue of new technology actually get all the energy we need in North America without having to go to the -- the Arabs or the Venezuelans or anyone else. That wasn't true in his time, that's why my policy starts with a very robust policy to get all that energy in North America -- become energy secure.

Number two, trade -- I'll crack down on China, President Bush didn't. I'm also going to dramatically expand trade in Latin America. It's been growing about 12 percent per year over a long period of time. I want to add more free trade agreements so we'll have more trade.

Number three, I'm going to get us to a balanced budget. President Bush didn't. President Obama was right, he said that that was outrageous to have deficits as high as half a trillion dollars under the Bush years. He was right, but then he put in place deficits twice that size for every one of his four years. And his forecast for the next four years is more deficits, almost that large. So that's the next area I'm different than President Bush.

And then let's take the last one, championing small business. Our party has been focused too long. I came through small business. I understand how hard it is to start a small business.
That's why everything I'll do is designed to help small businesses grow and add jobs. I want to keep their taxes down on small business. I want regulators to see their job as encouraging small enterprise, not crushing it.

And the thing I find the most troubling about Obama Care, well it's a long list, but one of the things I find most troubling is that when you go out and talk to small businesses and ask them what they think about it, they tell you it keeps them from hiring more people.

My priority is jobs. I know how to make that happen. And President Bush has a very different path for a very different time. My path is designed in getting small businesses to grow and hire people.

CC : Thanks, Governor.

Mr. President?

PBO : Well, first of all, I think it's important to tell you that we did come in during some tough times. We were losing 800,000 jobs a month when I started. But we had been digging our way out of policies that were misplaced and focused on the top doing very well and middle class folks not doing well.

Now, we've seen 30 consecutive -- 31 consecutive months of job growth; 5.2 million new jobs created. And the plans that I talked about will create even more. But when Governor Romney says that he has a very different economic plan, the centerpiece of his economic plan are tax cuts. That's what took us from surplus to deficit. When he talks about getting tough on China, keep in mind that Governor Romney invested in companies that were pioneers of outsourcing to China, and is currently investing in countries -- in companies that are building surveillance equipment for China to spy on its own folks.

That's -- Governor, you're the last person who's going to get tough on China. And what we've done when it comes to trade is not only sign three trade deals to open up new markets, but we've also set up a task force for trade that goes after anybody who is taking advantage of American workers or businesses and not creating a level playing field. We've brought twice as many cases against unfair trading practices than the previous administration and we've won every single one that's been decided.

When I said that we had to make sure that China was not flooding our domestic market with cheap tires, Governor Romney said I was being protectionist; that it wouldn't be helpful to American workers. Well, in fact we saved 1,000 jobs. And that's the kind of tough trade actions that are required.

But the last point I want to make is this. You know, there are some things where Governor Romney is different from George Bush. George Bush didn't propose turning Medicare into a voucher. George Bush embraced comprehensive immigration reform. He didn't call for self-deportation.

George Bush never suggested that we eliminate funding for Planned Parenthood, so there are differences between Governor Romney and George Bush, but they're not on economic policy. In some ways, he's gone to a more extreme place when it comes to social policy. And I think that's a mistake. That's not how we're going to move our economy forward.

CC : I want to move you both along to the next question, because it's in the same wheelhouse, so you will be able to respond. But the president does get this question. I want to call on Michael Jones.
Mr. President, I voted for you in 2008. What have you done or accomplished to earn my vote in 2012? I'm not that optimistic as I was in 2012. Most things I need for everyday living are very expensive.

Well, we've gone through a tough four years. There's no doubt about it. But four years ago, I told the American people and I told you I would cut taxes for middle class families. And I did. I told you I'd cut taxes for small businesses, and I have.

I said that I'd end the war in Iraq, and I did. I said we'd refocus attention on those who actually attacked us on 9/11, and we have gone after Al Qaeda's leadership like never before and Osama bin Laden is dead.

I said that we would put in place health care reform to make sure that insurance companies can't jerk you around and if you don't have health insurance, that you'd have a chance to get affordable insurance, and I have.

I committed that I would rein in the excesses of Wall Street, and we passed the toughest Wall Street reforms since the 1930s. We've created five million jobs, and gone from 800 jobs a month being lost, and we are making progress. We saved an auto industry that was on the brink of collapse.

Now, does that mean you're not struggling? Absolutely not. A lot of us are. And that's why the plan that I've put forward for manufacturing and education, and reducing our deficit in a sensible way, using the savings from ending wars, to rebuild America and putting people back to work. Making sure that we are controlling our own energy, but not only the energy of today, but also the energy of the future. All of those things will make a difference, so the point is the commitments I've made, I've kept.

And those that I haven't been able to keep, it's not for lack of trying and we're going to get it done in a second term. But, you should pay attention to this campaign, because Governor Romney has made some commitments as well. And I suspect he'll keep those too. You know when members of the Republican Congress say, "We're going to sign a no tax pledge, so that we don't ask a dime for millionaires and billionaires to reduce our deficit so we can still invest in education, and helping kids go to college. He said, "Me too."

When they said, "We're going to cut Planned Parenthood funding." He said, "Me too." When he said, "We're going to repeal Obamacare. First thing I'm going to do," despite the fact that it's the same health care plan that he passed in Massachusetts and is working well. He said, "Me too." That is not the kind of leadership that you need, but you should expect that those are promises he's going to keep.

Mr. President, let me let...

...the choice in this election is going to be whose promises are going to be more likely to help you in your life? Make sure your kids can go to college. Make sure that you are getting a good paying job, making sure that Medicare and Social Security... (CROSSTALK)

Mr. President. Thank you.

...will be there for you.

Thank you. Governor?

I think you know better. I think you know that these last four years haven't been so good as the president just described and that you don't feel like your confident that the next four years are going to be much better either.
I can tell you that if you were to elect President Obama, you know what you're going to get. You're going to get a repeat of the last four years. We just can't afford four more years like the last four years.

He said that by now we'd have unemployment at 5.4 percent. The difference between where it is and 5.4 percent is 9 million Americans without work.

I wasn't the one that said 5.4 percent. This was the president's plan. Didn't get there.

He said he would have by now put forward a plan to reform Medicare and Social Security, because he pointed out they're on the road to bankruptcy. He would reform them. He'd get that done. He hasn't even made a proposal on either one.

He said in his first year he'd put out an immigration plan that would deal with our immigration challenges. Didn't even file it.

This is a president who has not been able to do what he said he'd do. He said that he'd cut in half the deficit. He hasn't done that either. In fact, he doubled it. He said that by now middle-income families would have a reduction in their health insurance premiums by $2,500 a year. It's gone up by $2,500 a year. And if Obamacare is passed, or implemented -- it's already been passed -- if it's implemented fully, it'll be another $2,500 on top.

**GMR**: The middle class is getting crushed under the policies of a president who has not understood what it takes to get the economy working again. He keeps saying, "Look, I've created 5 million jobs." That's after losing 5 million jobs. The entire record is such that the unemployment has not been reduced in this country. The unemployment, the number of people who are still looking for work, is still 23 million Americans.

There are more people in poverty, one out of six people in poverty.

How about food stamps? When he took office, 32 million people were on food stamps. Today, 47 million people are on food stamps. How about the growth of the economy? It's growing more slowly this year than last year, and more slowly last year than the year before.

The president wants to do well. I understand. But the policies he's put in place from Obamacare to Dodd-Frank to his tax policies to his regulatory policies, these policies combined have not let this economy take off and grow like it could have.

You might say, "Well, you got an example of one that worked better?" Yeah, in the Reagan recession where unemployment hit 10.8 percent, between that period -- the end of that recession and the equivalent of time to today, Ronald Reagan's recovery created twice as many jobs as this president's recovery. Five million jobs doesn't even keep up with our population growth. And the only reason the unemployment rate seems a little lower today is because of all the people that have dropped out of the workforce.

The president has tried, but his policies haven't worked. He's great as a -- as a -- as a speaker and describing his plans and his vision. That's wonderful, except we have a record to look at. And that record shows he just hasn't been able to cut the deficit, to put in place reforms for Medicare and Social Security to preserve them, to get us the rising incomes we need. Median income is down $4,300 a family and 23 million Americans out of work. That's what this election is about. It's about who can get the middle class in this country a bright and prosperous future and assure our kids the kind of hope and optimism they deserve.

**CC**: Governor, I want to move you along. Don't -- don't go away, and we'll have plenty of time to respond. We are quite aware of the clock for both of you. But I want to bring in a different subject here.
Mr. President, I'll be right back with you.

Lorraine Osorio has a question for you about a topic we have not...

PBO : This is for Governor Romney?
CC : It's for Governor Romney, and we'll be right with you, Mr. President. Thanks.
GMR : Is it Loraina?
Q : Lorraine.
GMR : Lorraine?
Q : Yes, Lorraine.
GMR : Lorraine.
Q : How you doing?
GMR : Good, thanks.
Q : Mr. Romney, what do you plan on doing with immigrants without their green cards that are currently living here as productive members of society?
GMR : Thank you. Lorraine? Did I get that right? Good. Thank you for your question. And let me step back and tell you what I would like to do with our immigration policy broadly and include an answer to your question.

But first of all, this is a nation of immigrants. We welcome people coming to this country as immigrants. My dad was born in Mexico of American parents; Ann's dad was born in Wales and is a first-generation American. We welcome legal immigrants into this country.

I want our legal system to work better. I want it to be streamlined. I want it to be clearer. I don't think you have to -- shouldn't have to hire a lawyer to figure out how to get into this country legally. I also think that we should give visas to people -- green cards, rather, to people who graduate with skills that we need. People around the world with accredited degrees in science and math get a green card stapled to their diploma, come to the U.S. of A. We should make sure our legal system works.

Number two, we're going to have to stop illegal immigration. There are 4 million people who are waiting in line to get here legally. Those who've come here illegally take their place. So I will not grant amnesty to those who have come here illegally.

What I will do is I'll put in place an employment verification system and make sure that employers that hire people who have come here illegally are sanctioned for doing so. I won't put in place magnets for people coming here illegally. So for instance, I would not give driver's licenses to those that have come here illegally as the president would.

The kids of those that came here illegally, those kids, I think, should have a pathway to become a permanent resident of the United States and military service, for instance, is one way they would have that kind of pathway to become a permanent resident.

GMR : Now when the president ran for office, he said that he'd put in place, in his first year, a piece of legislation -- he'd file a bill in his first year that would reform our -- our immigration system, protect legal immigration, stop illegal immigration. He didn't do it.
He had a Democrat House, a Democrat Senate, super majority in both Houses. Why did he fail to even promote legislation that would have provided an answer for those that want to come legally and for those that are here illegally today? What's a question I think the -- the president will have a chance to answer right now.

**PBO**: Good, I look forward to it.

Was -- Lorranna -- Lorraine -- we are a nation of immigrants. I mean we're just a few miles away from Ellis Island. We all understand what this country has become because talent from all around the world wants to come here. People are willing to take risks. People who want to build on their dreams and make sure their kids have an even bigger dreams than they have.

But we're also a nation of laws. So what I've said is we need to fix a broken immigration system and I've done everything that I can on my own and sought cooperation from Congress to make sure that we fix the system.

The first thing we did was to streamline the legal immigration system, to reduce the backlog, make it easier, simpler and cheaper for people who are waiting in line, obeying the law to make sure that they can come here and contribute to our country and that's good for our economic growth.

They'll start new businesses. They'll make things happen to create jobs here in the United States.

Number two, we do have to deal with our border so we put more border patrol on the -- any time in history and the flow of undocumented works across the border is actually lower than it's been in 40 years.

What I've also said is if we're going to go after folks who are here illegally, we should do it smartly and go after folks who are criminals, gang bangers, people who are hurting the community, not after students, not after folks who are here just because they're trying to figure out how to feed their families. And that's what we've done. And what I've also said is for young people who come here, brought here often times by their parents. Had gone to school here, pledged allegiance to the flag. Think of this as their country. Understand themselves as Americans in every way except having papers. And we should make sure that we give them a pathway to citizenship.

And that's what I've done administratively. Now, Governor Romney just said, you know he wants to help those young people too, but during the Republican primary, he said, "I will veto the DREAM Act", that would allow these young people to have access." His main strategy during the Republican primary was to say, "We're going to encourage self-deportation." Making life so miserable on folks that they'll leave. He called the Arizona law a model for the nation. Part of the Arizona law said that law enforcement officers could stop folks because they suspected maybe they looked like they might be undocumented workers and check their papers.

You know what? If my daughter or yours looks to somebody like they're not a citizen, I don't want -- I don't want to empower somebody like that. So, we can fix this system in a comprehensive way. And when Governor Romney says, the challenge is, "Well Obama didn't try." That's not true. I have sat down with Democrats and Republicans at the beginning of my term. And I said, let's fix this system. Including Senators previously who had supported it on the Republican side. But it's very hard for Republican's in Congress to support comprehensive immigration reform, if their standard bearer has said that, this is not something I'm interested in supporting.

**CC**: Let me get the governor in here, Mr. President. Let's speak to, if you could...
GMR : Yes.

CC : ...the idea of self-deportation?

GMR : No, let -- let -- let me go back and speak to the points that the president made and -- and -- and let's get them correct.

I did not say that the Arizona law was a model for the nation in that aspect. I said that the E-Verify portion of the Arizona law, which is -- which is the portion of the law which says that employers could be able to determine whether someone is here illegally or not illegally, that that was a model for the nation. That's number one.

Number two, I asked the president a question I think Hispanics and immigrants all over the nation have asked. He was asked this on Univision the other day. Why, when you said you'd filed legislation in your first year didn't you do it? And he didn't answer. He -- he doesn't answer that question. He said the standard bearer wasn't for it.

I'm glad you thought I was a standard bearer four years ago, but I wasn't.

Four years ago you said in your first year you would file legislation.

In his first year, I was just getting -- licking my wounds from having been beaten by John McCain, all right. I was not the standard bearer.

My -- my view is that this president should have honored his promise to do as he said.

Now, let me mention one other thing, and that is self-deportation says let people make their own choice. What I was saying is, we're not going to round up 12 million people, undocumented illegals, and take them out of the nation. Instead let people make their own choice. And if they -- if they find that -- that they can't get the benefits here that they want and they can't -- and they can't find the job they want, then they'll make a decision to go a place where -- where they have better opportunities.

But I'm not in favor of rounding up people and -- and -- and taking them out of this country. I am in favor, as the president has said, and I agree with him, which is that if people have committed crimes we got to get them out of this country.

GMR : Let me mention something else the president said. It was a moment ago and I didn't get a chance to, when he was describing Chinese investments and so forth.

PBO : Candy?

Hold on a second. The...

GMR : Mr. President, I'm still speaking.

(CROSSTALK)

GMR : Mr. President, let me finish.

(CROSSTALK)

GMR : I've gotta continue.

(CROSSTALK)

CC : Governor Romney, you can make it short. See all these people? They've been waiting for you. (inaudible) make it short (inaudible).
GMR: Just going to make a point. Any investments I have over the last eight years have been managed by a blind trust. And I understand they do include investments outside the United States, including in -- in Chinese companies.

Mr. President, have you looked at your pension? Have you looked at your pension?

PBO: I've got to say...

GMR: Mr. President, have you looked at your pension?

PBO: You know, I -- I don't look at my pension. It's not as big as yours so it doesn't take as long.

GMR: Well, let me give you some advice.

PBO: I don't check it that often.

GMR: Let me give you some advice. Look at your pension. You also have investments in Chinese companies. You also have investments outside the United States. You also have investments through a Cayman's trust.

(CROSSTALK)

CC: We're way off topic here, Governor Romney.

(CROSSTALK)

PBO: I thought we were talking about immigration.

(CROSSTALK)

PBO: I do want to make sure that...

CC: If I could have you sit down, Governor Romney. Thank you.

PBO: I do want to make sure that -- I do want to make sure that we just understand something. Governor Romney says he wasn't referring to Arizona as a model for the nation. His top adviser on immigration is the guy who designed the Arizona law, the entirety of it; not E-Verify, the whole thing. That's his policy. And it's a bad policy. And it won't help us grow.

Look, when we think about immigration, we have to understand there are folks all around the world who still see America as the land of promise. And they provide us energy and they provide us innovation and they start companies like Intel and Google. And we want to encourage that.

Now, we've got to make sure that we do it in a smart way and a comprehensive way, and we make the legal system better. But when we make this into a divisive political issue, and when we don't have bipartisan support -- I can deliver, Governor, a whole bunch of Democrats to get comprehensive immigration reform done, and we can't...

GMR: I'll get it done. I'll get it done. First year...

PBO: ... we can't -- we have not seen Republicans serious about this issue at all. And it's time for them to get serious on it.

CC: Mr. President, let me move you on here please. Mr. President, (inaudible).
PBO: This used to be a bipartisan issue.

(CROSSTALK)

CC: Don't go away, though -- right. Don't go away because I -- I want you to talk to Kerry Ladka who wants to switch the topic for us.

PBO: OK.

Hi, Kerry.

Q: Good evening, Mr. President.

PBO: I'm sorry. What's your name?

Q: It's Kerry, Kerry Ladka.

PBO: Great to see you.

Q: This question actually comes from a brain trust of my friends at Global Telecom Supply (ph) in Minneola yesterday.

PBO: Ah.

Q: We were sitting around, talking about Libya, and we were reading and became aware of reports that the State Department refused extra security for our embassy in Benghazi, Libya, prior to the attacks that killed four Americans.

Who was it that denied enhanced security and why?

PBO: Well, let me first of all talk about our diplomats, because they serve all around the world and do an incredible job in a very dangerous situation. And these aren't just representatives of the United States, they are my representatives. I send them there, oftentimes into harm's way. I know these folks and I know their families. So nobody is more concerned about their safety and security than I am.

So as soon as we found out that the Benghazi consulate was being overrun, I was on the phone with my national security team and I gave them three instructions.

Number one, beef up our security and procedures, not just in Libya, but at every embassy and consulate in the region.

Number two, investigate exactly what happened, regardless of where the facts lead us, to make sure folks are held accountable and it doesn't happen again.

And number three, we are going to find out who did this and we're going to hunt them down, because one of the things that I've said throughout my presidency is when folks mess with Americans, we go after them.

PBO: Now Governor Romney had a very different response. While we were still dealing with our diplomats being threatened, Governor Romney put out a press release, trying to make political points, and that's not how a commander in chief operates. You don't turn national security into a political issue. Certainly not right when it's happening. And people -- not everybody agrees with some of the decisions I've made. But when it comes to our national security, I mean what I say. I said I'd end the war in Libya -- in -- in Iraq, and I did.

I said that we'd go after al-Qaeda and bin Laden, we have. I said we'd transition out of Afghanistan, and start making sure that Afghans are responsible for their own security, that's
what I'm doing. And when it comes to this issue, when I say that we are going to find out exactly what happened, everybody will be held accountable. And I am ultimately responsible for what's taking place there because these are my folks, and I'm the one who has to greet those coffins when they come home. You know that I mean what I say.

**CC**: Mr. President, I'm going to move us along. Governor?

**GMR**: Thank you Kerry for your question, it's an important one. And -- and I -- I think the president just said correctly that the buck does stop at his desk and -- and he takes responsibility for -- for that -- for the failure in providing those security resources, and -- and those terrible things may well happen from time to time. I -- I'm -- I feel very deeply sympathetic for the families of those who lost loved ones. And today there's a memorial service for one of those that was lost in this tragedy. We -- we think of their families and care for them deeply. There were other issues associated with this -- with this tragedy. There were many days that passed before we knew whether this was a spontaneous demonstration, or actually whether it was a terrorist attack.

**GMR**: And there was no demonstration involved. It was a terrorist attack and it took a long time for that to be told to the American people. Whether there was some misleading, or instead whether we just didn't know what happened, you have to ask yourself why didn't we know five days later when the ambassador to the United Nations went on TV to say that this was a demonstration. How could we have not known?

But I find more troubling than this, that on -- on the day following the assassination of the United States ambassador, the first time that's happened since 1979, when -- when we have four Americans killed there, when apparently we didn't know what happened, that the president, the day after that happened, flies to Las Vegas for a political fund-raiser, then the next day to Colorado for another event, other political event.

I think these -- these actions taken by a president and a leader have symbolic significance and perhaps even material significance in that you'd hope that during that time we could call in the people who were actually eyewitnesses. We've read their accounts now about what happened. It was very clear this was not a demonstration. This was an attack by terrorists.

And this calls into question the president's whole policy in the Middle East. Look what's happening in Syria, in Egypt, now in Libya. Consider the distance between ourselves and -- and Israel, the president said that -- that he was going to put daylight between us and Israel.

We have Iran four years closer to a nuclear bomb. Syria -- Syria's not just a tragedy of 30,000 civilians being killed by a military, but also a strategic -- strategically significant player for America.

The president's policies throughout the Middle East began with an apology tour and -- and -- and pursue a strategy of leading from behind, and this strategy is unraveling before our very eyes.

**CC**: Because we're -- we're closing in, I want to still get a lot of people in. I want to ask you something, Mr. President, and then have the governor just quickly.

Your secretary of state, as I'm sure you know, has said that she takes full responsibility for the attack on the diplomatic mission in Benghazi. Does the buck stop with your secretary of state as far as what went on here?

**PBO**: Secretary Clinton has done an extraordinary job. But she works for me. I'm the president and I'm always responsible, and that's why nobody's more interested in finding out exactly what happened than I do.
The day after the attack, governor, I stood in the Rose Garden and I told the American people in the world that we are going to find out exactly what happened. That this was an act of terror and I also said that we're going to hunt down those who committed this crime.

And then a few days later, I was there greeting the caskets coming into Andrews Air Force Base and grieving with the families.

And the suggestion that anybody in my team, whether the Secretary of State, our U.N. Ambassador, anybody on my team would play politics or mislead when we've lost four of our own, governor, is offensive. That's not what we do. That's not what I do as president, that's not what I do as Commander in Chief.

CC: Governor, if you want to...

GMR: Yes, I -- I...

CC: ... quickly to this please.

GMR: I -- I think interesting the president just said something which -- which is that on the day after the attack he went into the Rose Garden and said that this was an act of terror.

PBO: That's what I said.

GMR: You said in the Rose Garden the day after the attack, it was an act of terror.

It was not a spontaneous demonstration, is that what you're saying?

PBO: Please proceed governor.

GMR: I want to make sure we get that for the record because it took the president 14 days before he called the attack in Benghazi an act of terror.

PBO: Get the transcript.

CC: It -- it -- it -- he did in fact, sir. So let me -- let me call it an act of terror...

PBO: Can you say that a little louder, Candy?

CC: He -- he did call it an act of terror. It did as well take -- it did as well take two weeks or so for the whole idea there being a riot out there about this tape to come out. You are correct about that.

GMR: This -- the administration -- the administration indicated this was a reaction to a video and was a spontaneous reaction.

CC: It did.

GMR: It took them a long time to say this was a terrorist act by a terrorist group. And to suggest -- am I incorrect in that regard, on Sunday, the -- your secretary --

PBO: Candy?

GMR: Excuse me. The ambassador of the United Nations went on the Sunday television shows and spoke about how --

PBO: Candy, I'm --

GMR: -- this was a spontaneous --
Mr. President, let me --

I'm happy to have a longer conversation --

I know you --

-- about foreign policy.

Absolutely. But I want to -- I want to move you on and also --

OK. I'm happy to do that, too.

-- the transcripts and --

I just want to make sure that --

-- figure out what we --

-- all of these wonderful folks are going to have a chance to get some of their questions answered.

Because what I -- what I want to do, Mr. President, stand there a second, because I want to introduce you to Nina Gonzalez, who brought up a question that we hear a lot, both over the Internet and from this crowd.

President Obama, during the Democratic National Convention in 2008, you stated you wanted to keep AK-47s out of the hands of criminals. What has your administration done or planned to do to limit the availability of assault weapons?

We're a nation that believes in the Second Amendment, and I believe in the Second Amendment. We've got a long tradition of hunting and sportsmen and people who want to make sure they can protect themselves.

But there have been too many instances during the course of my presidency, where I've had to comfort families who have lost somebody. Most recently out in Aurora. You know, just a couple of weeks ago, actually, probably about a month, I saw a mother, who I had met at the bedside of her son, who had been shot in that theater.

And her son had been shot through the head. And we spent some time, and we said a prayer and, remarkably, about two months later, this young man and his mom showed up, and he looked unbelievable, good as new.

But there were a lot of families who didn't have that good fortune and whose sons or daughters or husbands didn't survive.

So my belief is that, (A), we have to enforce the laws we've already got, make sure that we're keeping guns out of the hands of criminals, those who are mentally ill. We've done a much better job in terms of background checks, but we've got more to do when it comes to enforcement.

But I also share your belief that weapons that were designed for soldiers in war theaters don't belong on our streets. And so what I'm trying to do is to get a broader conversation about how do we reduce the violence generally. Part of it is seeing if we can get an assault weapons ban reintroduced. But part of it is also looking at other sources of the violence. Because frankly, in my home town of Chicago, there's an awful lot of violence and they're not using AK-47s. They're using cheap hand guns.
And so what can we do to intervene, to make sure that young people have opportunity; that our schools are working; that if there's violence on the streets, that working with faith groups and law enforcement, we can catch it before it gets out of control.

And so what I want is a -- is a comprehensive strategy. Part of it is seeing if we can get automatic weapons that kill folks in amazing numbers out of the hands of criminals and the mentally ill. But part of it is also going deeper and seeing if we can get into these communities and making sure we catch violent impulses before they occur.

CC : Governor Romney, the question is about assault weapons, AK-47s.

GMR : Yeah, I'm not in favor of new pieces of legislation on -- on guns and taking guns away or making certain guns illegal. We of course don't want to have automatic weapons, and that's already illegal in this country to have automatic weapons. What I believe is we have to do as the president mentioned towards the end of his remarks there, which is to make enormous efforts to enforce the gun laws that we have and to change the culture of violence we have. And you ask how are we going to do that? And there are a number of things.

He mentioned good schools. I totally agree. We were able to drive our schools to be number one in the nation in my state, and I believe if we do a better job in education, we'll, we'll give people the hope and opportunity they deserve, and perhaps less violence from that.

But let me mention another thing, and that is parents. We need moms and dads helping raise kids. Wherever possible, the - the benefit of having two parents in the home, and that's not always possible. A lot of great single moms, single dads. But gosh, to tell our kids that before they have babies, they ought to think about getting married to someone - that's a great idea because if there's a two-parent family, the prospect of living in poverty goes down dramatically. The opportunities that the child will, will be able to achieve increase dramatically.

So we can make changes in the way our culture works to help bring people away from violence and give them opportunity and bring them in the American system.

The, one of the greatest failure we've had with regards to gun violence, in some respects, is what is known as Fast and Furious, which was a program under this administration - and how it worked exactly, I think we don't know precisely - but where thousands of automatic and AK-47-type weapons were, were given to people that ultimately gave them to drug lords. They used those weapons against - against their own citizens and killed Americans with them.

And this was a, this was a program of the government. For what purpose it was put in place, I can't imagine. But it's one of the great tragedies related to violence in our society which has occurred during this administration which I think the American people would like to understand fully. It's been investigated to a degree, but the administration has, has carried out executive privilege to prevent all the information from coming out. I'd like to understand who it was that did this, what the idea was behind it, why it led to the violence - thousands of guns going to Mexican drug lords.

PBO : Candy.

CC : Governor, Governor, if I could, the question was about these assault weapons that once were banned and are no longer banned. I know that you signed an assault weapons ban when you were in Massachusetts. Obviously with this question, you no longer do support that. Why is that? Given the kind of violence that we see sometimes with these mass killings, why is it that you've changed your mind?
GMR: Well, Candy, actually, in my state, the pro-gun folks and the anti-gun folks came together and put together a piece of legislation, and it's referred to as a, as an assault weapon ban, but it had at the signing of the bill both the pro-gun and the anti-gun people came together, because it provided opportunities for both that both wanted. There were hunting opportunities, for instance, that hadn't previously been available and so forth, so it was a mutually agreed upon piece of legislation.

That's what we need more of, Candy. What we have right now in Washington is a place that's, that's gridlocked. We haven't had -

CC: So if I could, if you could get people to agree to it, you'd be for it.

GMR: We haven't had - we haven't had - we haven't had the leadership in Washington to work on a bipartisan basis. I was able to do that in my state and bring these two together.

PBO: Candy.

CC: Quickly, Mr. President.

PBO: The - first of all, I think Governor Romney was for an assault weapons ban before he was against it. And he said that the reason he changed his mind was in part because he was seeking the endorsement of the National Rifle Association.

So that's on the record. But I think that one area we agree on is the importance of parents and the importance of schools, because I do believe that if our young people have opportunity, then they're less likely to engage in these kind of violent acts.

We're not going to eliminate everybody who is mentally disturbed, and we've got to make sure they don't get weapons. But we can make a difference in terms ensuring that every young person in America, regardless of where they come from, what they look like, have a chance to succeed.

And, Candy, we haven't had a chance to talk about education much, but I think it is very important to understand that the reforms we've put in place, working with 46 governors around the country, are seeing schools that are some of the ones that are the toughest for kids starting to succeed. We're starting to see gains in math and science.

When it comes to community colleges, we are setting up programs, including with Nassau Community College, to retrain workers, including young people who may have dropped out of school but now are getting another chance, training them for the jobs that exist right now.

And in fact, employers are looking for skilled workers. And so we're matching them up. Giving them access to higher education. As I said, we have made sure that millions of young people are able to get an education that they weren't able to get before.

Now...

CC: Mr. President, I have to -- I have to move you along here. You said you wanted to...

(CROSSTALK)

CC: We need to do it here.

PBO: But -- but it'll -- it'll -- it'll be...

(CROSSTALK)

PBO: ... just one second.
One...

Because -- because this is important. This is part of the choice in this election.

When Governor Romney was asked whether teachers, hiring more teachers was important to growing our economy, Governor Romney said that doesn't grow our economy.

When -- when he was asked would class size...

(CROSSTALK)

The question, Mr. President, was guns here, so I need to move us along.

I understand.

You know, the question was guns. So let me -- let me bring in another...

But this will make a difference in terms of whether or not we can move this economy forward for these young people...

I understand.

... and reduce our violence.

OK. Thank you so much.

I want to ask Carol Goldberg to stand up, because she gets to a question that both these men have been passionate about. It's for Governor Romney.

Q : The outsourcing of American jobs overseas has taken a toll on our economy. What plans do you have to put back and keep jobs here in the United States?

Boy, great question and important question, because you're absolutely right. The place where we've seen manufacturing go has been China. China is now the largest manufacturer in the world. It used to be the United States of America. A lot of good people have lost jobs. A half a million manufacturing jobs have been lost in the last four years. That's total over the last four years.

One of the reasons for that is that people think it's more attractive in some cases to go offshore than to stay here. We have made it less attractive for enterprises to stay here than to go offshore from time to time. What I will do as president is make sure it's more attractive to come to America again.

This is the way we're going to create jobs in this country. It's not by trickle-down government, saying we're going to take more money from people and hire more government workers, raise more taxes, put in place more regulations. Trickle-down government has never worked here, has never worked anywhere. I want to make America the most attractive place in the world for entrepreneurs, for small business, for big business, to invest and grow in America.

Now, we're going to have to make sure that as we trade with other nations that they play by the rules. And China hasn't. One of the reasons -- or one of the ways they don't play by the rules is artificially holding down the value of their currency. Because if they put their currency down low, that means their prices on their goods are low. And that makes them advantageous in the marketplace.
We lose sales. And manufacturers here in the U.S. making the same products can't compete. China has been a currency manipulator for years and years and years. And the president has a regular opportunity to label them as a currency manipulator, but refuses to do so.

On day one, I will label China a currency manipulator, which will allow me as president to be able to put in place, if necessary, tariffs where I believe that they are taking unfair advantage of our manufacturers.

So we're going to make sure that people we trade with around the world play by the rules. But let me -- let me not just stop there. Don't forget, what's key to bringing back jobs here is not just finding someone else to punish, and I'm going to be strict with people who we trade with to make sure they -- they follow the law and play by the rules, but it's also to make America the most attractive place in the world for businesses of all kinds.

That's why I want to down the tax rates on small employers, big employers, so they want to be here. Canada's tax rate on companies is now 15 percent. Ours is 35 percent. So if you're starting a business, where would you rather start it? We have to be competitive if we're going to create more jobs here.

Regulations have quadrupled. The rate of regulations quadrupled under this president. I talk to small businesses across the country. They say, "We feel like we're under attack from our own government." I want to make sure that regulators see their job as encouraging small business, not crushing it. And there's no question but that Obamacare has been an extraordinary deterrent to enterprises of all kinds hiring people.

My priority is making sure that we get more people hired. If we have more people hired, if we get back manufacturing jobs, if we get back all kinds of jobs into this country, then you're going to see rising incomes again. The reason incomes are down is because unemployment is so high. I know what it takes to get this to happen, and my plan will do that, and one part of it is to make sure that we keep China playing by the rules.

CC : Mr. President, two minutes here, because we are then going to go to our last question.

PBO : OK. We need to create jobs here. And both Governor Romney and I agree actually that we should lower our corporate tax rate. It's too high. But there's a difference in terms of how we would do it. I want to close loopholes that allow companies to deduct expenses when they move to China; that allow them to profit offshore and not have to get taxed, so they have tax advantages offshore.

All those changes in our tax code would make a difference.

Now, Governor Romney actually wants to expand those tax breaks. One of his big ideas when it comes to corporate tax reform would be to say, if you invest overseas, you make profits overseas, you don't have to pay U.S. taxes.

But, of course, if you're a small business or a mom-and-pop business or a big business starting up here, you've got to pay even the reduced rate that Governor Romney's talking about.

And it's estimated that that will create 800,000 new jobs. The problem is they'll be in china. Or India. Or Germany.

That's not the way we're going to create jobs here. The way we're going to create jobs here is not just to change our tax code, but also to double our exports. And we are on pace to double our exports, one of the commitments I made when I was president. That's creating tens of
thousands of jobs all across the country. That's why we've kept on pushing trade deals, but trade deals that make sure that American workers and American businesses are getting a good deal.

Now, Governor Romney talked about China, as I already indicated. In the private sector, Governor Romney's company invested in what were called pioneers of outsourcing. That's not my phrase. That's what reporters called it.

And as far as currency manipulation, the currency has actually gone up 11 percent since I've been president because we have pushed them hard. And we've put unprecedented trade pressure on China. That's why exports have significantly increased under my presidency. That's going to help to create jobs here.

CC : Mr. President, we have a really short time for a quick discussion here.

iPad, the Macs, the iPhones, they are all manufactured in China. One of the major reasons is labor is so much cheaper here. How do you convince a great American company to bring that manufacturing back here?

GMR : The answer is very straightforward. We can compete with anyone in the world as long as the playing field is level. China's been cheating over the years. One by holding down the value of their currency. Number two, by stealing our intellectual property; our designs, our patents, our technology. There's even an Apple store in China that's a counterfeit Apple store, selling counterfeit goods. They hack into our computers. We will have to have people play on a fair basis, that's number one.

Number two, we have to make America the most attractive place for entrepreneurs, for people who want to expand their business. That's what brings jobs in. The president's characterization of my tax plan...

(CROSSTALK)

GMR : ...is completely...is completely...

(CROSSTALK)

GMR : ...is completely false. Let me tell you...

CC : Let me to go the president here because we really are running out of time. And the question is can we ever get -- we can't get wages like that. It can't be sustained.

PBO : Candy, there are some jobs that are not going to come back. Because they are low wage, low skill jobs. I want high wage, high skill jobs. That's why we have to emphasize manufacturing. That's why we have to invest in advanced manufacturing. That's why we've got to make sure that we've got the best science and research in the world. And when we talk about deficits, if we're adding to our deficit for tax cuts for folks who don't need them, and we're cutting investments in research and science that will create the next Apple, create the next new innovation that will sell products around the world, we will lose that race.

If we're not training engineers to make sure that they are equipped here in this country. Then companies won't come here. Those investments are what's going to help to make sure that we continue to lead this world economy, not just next year, but 10 years from now, 50 years from now, 100 years from now.

CC : Thanks Mr. President.

CC : Governor Romney?
GMR: Government does not create jobs. Government does not create jobs.

CC: Governor Romney, I want to introduce you to Barry Green, because he's going to have the last question to you first?

GMR: Barry? Where is Barry?

Q: Hi, Governor. I think this is a tough question. To each of you. What do you believe is the biggest misperception that the American people have about you as a man and a candidate? Using specific examples, can you take this opportunity to debunk that misperception and set us straight?

GMR: Thank you, and that's an opportunity for me, and I appreciate it.

In the nature of a campaign, it seems that some campaigns are focused on attacking a person rather than prescribing their own future and the things they'd like to do. In the course of that, I think the president's campaign has tried to characterize me as -- as someone who's very different than who I am.

I care about 100 percent of the American people. I want 100 percent of the American people to have a bright and prosperous future. I care about our kids. I understand what it takes to make a bright and prosperous future for America again. I spent my life in the private sector, not in government. I'm a guy who wants to help with the experience I have, the American people.

My -- my passion probably flows from the fact that I believe in God. And I believe we're all children of the same God. I believe we have a responsibility to care for one another. I -- I served as a missionary for my church. I served as a pastor in my congregation for about 10 years. I've sat across the table from people who were out of work and worked with them to try and find new work or to help them through tough times.

I went to the Olympics when they were in trouble to try and get them on track. And as governor of my state, I was able to get 100 percent of my people insured, all my kids, about 98 percent of the adults. I was able also to get our schools ranked number one in the nation, so 100 percent of our kids would have a bright opportunity for a future.

GMR: I understand that I can get this country on track again. We don't have to settle for what we're going through. We don't have to settle for gasoline at four bucks. We don't have to settle for unemployment at a chronically high level. We don't have to settle for 47 million people on food stamps. We don't have to settle for 50 percent of kids coming out of college not able to get work. We don't have to settle for 23 million people struggling to find a good job.

If I become president, I'll get America working again. I will get us on track to a balanced budget. The president hasn't. I will. I'll make sure we can reform Medicare and Social Security to preserve them for coming -- coming generations. The president said he would. He didn't.

CC: Governor...

GMR: I'll get our incomes up. And by the way, I've done these things. I served as governor and showed I could get them done.

CC: Mr. President, last two minutes belong to you.

PBO: Barry, I think a lot of this campaign, maybe over the last four years, has been devoted to this nation that I think government creates jobs, that that somehow is the answer.
That's not what I believe. I believe that the free enterprise system is the greatest engine of prosperity the world's ever known.

I believe in self-reliance and individual initiative and risk takers being rewarded. But I also believe that everybody should have a fair shot and everybody should do their fair share and everybody should play by the same rules, because that's how our economy's grown. That's how we built the world's greatest middle class.

And -- and that is part of what's at stake in this election. There's a fundamentally different vision about how we move our country forward.

I believe Governor Romney is a good man. Loves his family, cares about his faith. But I also believe that when he said behind closed doors that 47 percent of the country considered themselves victims who refuse personal responsibility, think about who he was talking about.

Folks on Social Security who've worked all their lives. Veterans who've sacrificed for this country. Students who are out there trying to hopefully advance their own dreams, but also this country's dreams. Soldiers who are overseas fighting for us right now. People who are working hard every day, paying payroll tax, gas taxes, but don't make enough income.

And I want to fight for them. That's what I've been doing for the last four years. Because if they succeed, I believe the country succeeds.

When my grandfather fought in World War II and he came back and he got a G.I. Bill and that allowed him to go to college, that wasn't a handout. That was something that advanced the entire country. And I want to make sure that the next generation has those same opportunities. That's why I'm asking for your vote and that's why I'm asking for another four years.

CC : President Obama, Governor Romney, thank you for being here tonight.

On that note we have come to an end of this town hall debate. Our thanks to the participants for their time and to the people of Hofstra University for their hospitality.

The next and final debate takes place Monday night at Lynn (ph) University in Boca Raton, Florida. Don't forget to watch. Election Day is three weeks from today. Don't forget to vote.
TRANSCRIPT: THIRD PRESIDENTIAL DEBATE

October 22, 2012

BS : Good evening from the campus of Lynn University here in Boca Raton, Florida. This is the fourth and last debate of the 2012 campaign, brought to you by the Commission on Presidential Debates. This one's on foreign policy. I'm Bob Schieffer of CBS News. The questions are mine, and I have not shared them with the candidates or their aides.

The audience has taken a vow of silence — no applause, no reaction of any kind except right now when we welcome President Barack Obama and Governor Mitt Romney. (Sustained cheers, applause.)

Gentlemen, your campaigns have agreed to certain rules and they are simple. They have asked me to divide the evening into segments. I'll pose a question at the beginning of each segment. You will each have two minutes to respond, and then we will have a general discussion until we move to the next segment.

Tonight's debate, as both of your know, comes on the 50th anniversary of the night that President Kennedy told the world that the Soviet Union had installed nuclear missiles in Cuba — perhaps the closest we've ever come to nuclear war. And it is a sobering reminder that every president faces at some point an unexpected threat to our national security from abroad. So let's begin.

The first segment is the challenge of a changing Middle East and the new face of terrorism. I'm going to put this into two segments, so you'll have two topic questions within this one segment on that subject. The first question, and it concerns Libya, the controversy over what happened there continues. Four Americans are dead, including an American ambassador. Questions remain. What happened? What caused it? Was it spontaneous?

Was it an intelligence failure? Was it a policy failure? Was there an attempt to mislead people about what really happened?

Governor Romney, you said this was an example of an American policy in the Middle East that is unraveling before our very eyes. I'd like to hear each of you give your thoughts on that.

Governor Romney, you won the toss. You go first.

GMR : Thank you, Bob, and thank you for agreeing to moderate this debate this evening. Thank you to Lynn University for welcoming us here, and Mr. President, it's good to be with you again. We were together at a humorous event a little earlier, and it's nice to maybe be funny this time not on purpose. We'll see what happens. (Laughter.)

This is obviously an area of great concern to the entire world and to America in particular, which is to see a — a complete change in the — the — the structure and the — the environment in the Middle East. With the Arab Spring came a great deal of hope that there would be a change towards more moderation and opportunity for greater participation on the part of women and — and public life and in economic life in the Middle East.

But instead we've seen in nation after nation a number of disturbing events. Of course, we see in Syria 30,000 civilians having been killed by the military there. We see in — in — in Libya an attack apparently by — well, I think we know now by terrorists of some kind against — against our people there, four people dead. Our hearts and minds go to them. Mali has been taken over, the northern part of Mali, by al-Qaida-type individuals. We have in — in Egypt a Muslim Brotherhood president.
And so what we're seeing is a — a — a pretty dramatic reversal in the kind of hopes we had for that region. Of course, the greatest threat of all is Iran, four years closer to a nuclear weapon. And — and we're going to have to recognize that we have to do as the president has done. I congratulate him on — on taking out Osama bin Laden and going after the leadership in al-Qaida. But we can't kill our way out of this mess.

We're — we're going to have to put in place a very comprehensive and robust strategy to help the — the world of Islam and — and other parts of the world reject this radical violent extremism which is — it's really not on the run. It's certainly not hiding. This is a group that is now involved in 10 or 12 countries, and it presents an enormous threat to our friends, to the world, to America long term, and we must have a comprehensive strategy to help reject this kind of extremism.

BS : Mr. President.

PBO : Well, my first job as commander in chief, Bob, is to keep the American people safe, and that's what we've done over the last four years. We ended the war in Iraq, refocused our attention on those who actually killed us on 9/11. And as a consequence, al-Qaida's core leadership has been decimated.

In addition, we're now able to transition out of Afghanistan in a responsible way, making sure that Afghans take responsibility for their own security, and that allows us also to rebuild alliances and make friends around the world to combat future threats.

Now, with respect to Libya, as I indicated in the last debate, when we received that phone call, I immediately made sure that, number one, we did everything we could to secure those Americans who were still in harm's way; number two, that we would investigate exactly what happened; and number three, most importantly, that we would go after those who killed Americans, and we would bring them to justice, and that's exactly what we're going to do.

But I think it's important to step back and think about what happened in Libya. Now, keep in mind that I and Americans took leadership in organizing an international coalition that made sure that we were able to — without putting troops on the ground, at the cost of less than what we spent in two weeks in Iraq — liberate a country that had been under the yoke of dictatorship for 40 years, got rid of a despot who had killed Americans.

And as a consequence, despite this tragedy, you had tens of thousands of Libyans after the events in Benghazi marching and saying, America's our friend. We stand with them. Now that represents the opportunity we have to take advantage of.

And you know, Governor Romney, I'm glad that you agree that we have been successful in going after al-Qaida, but I have to tell you that, you know, your strategy previously has been one that has been all over the map and is not designed to keep Americans safe or to build on the opportunities that exist in the Middle East.

GMR : Well, my strategy's pretty straightforward, which is to go after the bad guys, to make sure we do our very best to interrupt them, to — to kill them, to take them out of the picture. But my strategy is broader than — than that. That's — that's important, of course, but the key that we're going to have to pursue is a — is a pathway to — to get the Muslim world to be able to reject extremism on its own. We don't want another Iraq. We don't want another Afghanistan. That's not the right course for us. The right course for us is to make sure that we go after the — the people who are leaders of these various anti-American groups and these — these jihadists, but also help the Muslim world.
And how we do that? A group of Arab scholars came together, organized by the U.N., to look at how we can help the — the world reject these — these terrorists. And the answer they came up was this.

One, more economic development. We should key our foreign aid, our direct foreign investment and that of our friends — we should coordinate it to make sure that we — we push back and give them more economic development.

Number two, better education.

Number three, gender equality.

Number four, the rule of law. We have to help these nations create civil societies.

But what's been happening over the last couple years as we watched this tumult in the Middle East, this rising tide of chaos occur, you see al-Qaida rushing in, you see other jihadist groups rushing in.

And — and they're throughout many nations of the Middle East.

It's wonderful that Libya seems to be making some progress, despite this terrible tragedy, but next door, of course, we have Egypt. Libya's 6 million population, Egypt 80 million population. We want — we want to make sure that we're seeing progress throughout the Middle East. With Mali now having North Mali taken over by al-Qaida, with Syria having Assad continuing to — or to kill — to murder his own people, this is a region in tumult. And of course Iran on the path to a nuclear weapon. We've got real gaps in the region.

BS : We'll get to that, but let's give the president a chance.

PBO : Governor Romney, I'm glad that you recognize that al-Qaida's a threat because a few months ago when you were asked, what's the biggest geopolitical threat facing America, you said Russia — not al-Qaida, you said Russia. And the 1980s are now calling to ask for their foreign policy back because, you know, the Cold War's been over for 20 years.

But, Governor, when it comes to our foreign policy, you seem to want to import the foreign policies of the 1980s, just like the social policies of the 1950s and the economic policies of the 1920s. You say that you're not interested in duplicating what happened in Iraq, but just a few weeks ago you said you think we should have more troops in Iraq right now.

And the — the challenge we have — I know you haven't been in a position to actually execute foreign policy, but every time you've offered an opinion, you've been wrong. You said we should have gone into Iraq despite the fact that there were no weapons of mass destruction. You said that we should still have troops in Iraq to this day. You indicated that we shouldn't be passing nuclear treaties with Russia, despite the fact that 71 senators, Democrats and Republicans, voted for it.

You've said that first we should not have a timeline in Afghanistan then you said we should. Now you say maybe or it depends, which means not only were you wrong but you were also confusing and sending mixed messages both to our troops and our allies.

So what — what we need to do with respect to the Middle East is strong, steady leadership, not wrong and reckless leadership that is all over the map. And unfortunately, that's the kind of opinions that you've offered throughout this campaign, and it is not a recipe for American strength or keeping America safe over the long term.

BS : I'm going to add a couple of minutes here to give you a chance to respond.
GMR: Well, of course I don't concur with what the president said about my own record and the things that I've said. They don't happen to be accurate. But — but I can say this: that we're talking about the Middle East and how to help the Middle East reject the kind of terrorism we're seeing and the rising tide of tumult and — and confusion. And — and attacking me is not an agenda. Attacking me is not talking about how we're going to deal with the challenges that exist in the Middle East and take advantage of the opportunity there and stem the tide of this violence.

But I'll respond to a couple of the things you mentioned. First of all, Russia, I indicated, is a geopolitical foe, not —

PBO: Number one —

GMR: Excuse me. It's a geopolitical foe. And I said in the same — in the same paragraph, I said, and Iran is the greatest national security threat we face. Russia does continue to battle us in the U.N. time and time again. I have clear eyes on this. I'm not going to wear rose-colored glasses when it comes to Russia or Mr. Putin, and I'm certainly not going to say to him, I'll give you more flexibility after the election. After the election he'll get more backbone.

Number two, with regards to Iraq, you and I agreed, I believe, that there should have been a status of forces agreement. Did you —

PBO: That's not true.

GMR: Oh, you didn't — you didn't want a status of forces agreement?

PBO: No, but what I — what I would not have done is left 10,000 troops in Iraq that would tie us down. That certainly would not help us in the Middle East.

GMR: I'm sorry, you actually — there was a —

PBO: Here — here is — here is —

GMR: There was an effort on the part of the president to have a status of forces agreement. And I concurred in that and said we should have some number of troops that stayed on. That was something I concurred with.

PBO: Governor —

GMR: That was your posture. That was my posture as well.

I thought it should have been 5,000 troops.

PBO: Governor —

GMR: I thought it should have been more troops. But you — (inaudible).

PBO: This is just a few weeks ago.

GMR: The answer was, we got no troop (through ?) whatsoever.

PBO: This is just a few weeks ago that you indicated that we should still have troops in Iraq.

GMR: No, I didn't. I'm sorry, that's —

PBO: You made a major speech.
GMR: I indicated — I indicated that you failed to put in place a status of forces agreement at the end of the conflict that —

BS: Governor —

PBO: Governor, here's — here's one thing — here's one thing — here's one thing I've learned as commander in chief.

BS: Let him have — (inaudible).

PBO: You've got to be clear, both to our allies and our enemies, about where you stand and what you mean. Now, you just gave a speech a few weeks ago in which you said we should still have troops in Iraq. That is not a recipe for making sure that we are taking advantage of the opportunities and meeting the challenges of the Middle East.

Now, it is absolutely true that we cannot just beat these challenges militarily, and so what I've done throughout my presidency and will continue to do, is, number one, make sure that these countries are supporting our counterterrorism efforts; number two, make sure that they are standing by our interests in Israel's security, because it is a true friend and our greatest ally in the region. Number three, we do have to make sure that we're protecting religious minorities and women because these countries can't develop unless all the population — not just half of it — is developing. Number four, we do have to develop their economic — their economic capabilities. But number five, the other thing that we have to do is recognize that we can't continue to do nation building in these regions. Part of American leadership is making sure that we're doing nation building here at home. That will help us maintain the kind of American leadership that we need.

BS: Let me interject the second topic question in this segment about the Middle East and so on, and that is, you both mentioned — alluded to this, and that is Syria. The war in Syria has now spilled over into Lebanon. We have, what, more than a hundred people that were killed there in a bomb. There were demonstrations there, eight people dead.

Mr. President, it's been more than a year since you saw — you told Assad he had to go. Since then 30,000 Syrians have died. We've had 300,000 refugees. The war goes on. He's still there. Should we reassess our policy and see if we can find a better way to influence events there, or is that even possible? And it's you — you go first, sir.

PBO: What we've done is organize the international community, saying Assad has to go. We've mobilized sanctions against that government. We have made sure that they are isolated. We have provided humanitarian assistance, and we are helping the opposition organize, and we're particularly interested in making sure that we're mobilizing the moderate forces inside of Syria.

But ultimately, Syrians are going to have to determine their own future. And so everything we're doing, we're doing in consultation with our partners in the region, including Israel, which obviously has a huge interest in seeing what happens in Syria, coordinating with Turkey and other countries in the region that have a great interest in this.

Now, this — what we're seeing taking place in Syria is heartbreaking, and that's why we are going to do everything we can to make sure that we are helping the opposition. But we also have to recognize that, you know, for us to get more entangled militarily in Syria is a serious step. And we have to do so making absolutely certain that we know who we are helping, that we're not putting arms in the hands of folks who eventually could turn them against us or our allies in the region.
And I am confident that Assad's days are numbered. But what we can't do is to simply suggest that, as Governor Romney at times has suggested, that giving heavy weapons, for example, to the Syrian opposition is a simple proposition that would lead us to be safer over the long term.

BS  : Governor.

GMR  : Well, let's step back and talk about what's happening in Syria and how important it is. First of all, 30,000 people being killed by their government is a humanitarian disaster.

Secondly, Syria's an opportunity for us because Syria plays an important role in the Middle East, particularly right now. Syria is Iran's only ally in the Arab world. It's their route to the sea. It's the route for them to arm Hezbollah in Lebanon, which threatens, of course, our ally Israel. And so seeing Syria remove Assad is a very high priority for us. Number two, seeing a — a replacement government being responsible people is critical for us. And finally, we don't want to have military involvement there. We don't want to get drawn into a military conflict.

And so the right course for us is working through our partners and with our own resources to identify responsible parties within Syria, organize them, bring them together in a — in a form of — of — if not government, a form of — of council that can take the lead in Syria, and then make sure they have the arms necessary to defend themselves. We do need to make sure that they don't have arms that get into the — the wrong hands. Those arms could be used to hurt us down the road. We need to make sure as well that we coordinate this effort with our allies and particularly with — with — with Israel.

But the Saudis and the Qatari and — and — and the Turks are all very concerned about this. They're willing to work with us. We need to have a very effective leadership effort in Syria, making sure that the — the — the insurgents there are armed and that the insurgents that become armed are people who will be the responsible parties.

Recognize I believe that Assad must go. I believe he will go. But I believe we want to make sure that we have the relationships of friendship with the people that take his place such that in the years to come we see Syria as a — as a friend and Syria as a responsible party in the Middle East. This — this is a critical opportunity for America.

And what I'm afraid of is that we've watched over the past year or so first the president saying, well, we'll let the U.N. deal with it, and Assad — excuse me, Kofi Annan came in and — and said, we're going to try — have a cease-fire.

That didn't work.

Then it looked to the Russians and said, see if you can do something. we should. We should be playing the leadership role there, not on the ground with military —

BS  : All right.

GMR  : — by the leadership role.

PBO  : We are — we playing the leadership role. We organized the "Friends of Syria." We are mobilizing humanitarian support and support for the opposition. And we are making sure that that those we help are those who will be friends of ours in the long term and friends of our allies in the region over the long term.

But you know, going back to Libya, because this is an example of — of how we make choices, you know, when we went into Libya and we were able to immediately stop the
massacre there because of the unique circumstances and the coalition that we had helped to organize, we also had to make sure that Moammar Gadhafi didn't stay there. And to the governor's credit, you supported us going into Libya and the coalition that we organized. But when it came time to making sure that Gadhafi did not stay in power, that he was captured, Governor, your suggestion was that this was mission creep, that this was mission muddle.

Imagine if we had pulled out at that point. That — Moammar Gadhafi had more American blood on his hands than any individual other than Osama bin Laden. And so we were going to make sure that we finished the job. That's part of the reason why the Libyans stand with us. But we did so in a careful, thoughtful way, making certain that we knew who we were dealing with, that those forces of moderation on the ground were ones that we could work with. And we have to take the same kind of steady, thoughtful leadership when it comes to Syria. That's exactly what we're doing.

BS : Governor, can I just ask you, would you go beyond what the administration would do? Like, for example, would you put in no-fly zones over Syria?

GMR : I don't — I don't want to have our military involved in — in Syria. I don't think there's a necessity to put our military in Syria at — at this stage.

I don't anticipate that in the future.

As I indicated, our objectives are to replace Assad and to have in place a new government which is friendly to us — a responsible government, if possible. And I want to make sure the get armed and they have the arms necessary to defend themselves but also to remove — to remove Assad. But I do not want to see a military involvement on the part of — of our — of our troops.

And this isn't — this isn't going to be necessary. We have — with our partners in the region, we have sufficient resources to support those groups. But look, this has been going on for a year. This is a time — this should have been a time for American leadership. We should have taken a leading role — not militarily, but a leading role organizationally, governmentally, to bring together the parties there to find responsible parties.

As you hear from intelligence sources even today, the insurgents are highly disparate. They haven't come together. They haven't formed a unity group, a council of some kind. That needs to happen. America can help that happen. And we need to make sure they have the arms they need to carry out the very important role, which is getting rid of Assad.

BS : Could we get a quick response, Mr. President, because I want to ask —

PBO : Well, I'll — I'll — I'll be — I'll be very quick. What you just heard Governor Romney said is he doesn't have different ideas, and that's because we're doing exactly what we should be doing to try to promote a moderate, Syrian leadership and a — an effective transition so that we get Assad out. That's the kind of leadership we've shown. That's the kind of leadership we'll continue to show.

BS : May I ask you, you know, during the Egyptian turmoil, there came a point when you said it was time for President Mubarak to go.

PBO : Right.

BS : Some in your administration thought perhaps we should have waited a while on that. Do you have any regrets about that?
PBO: No, I don't because I think that America has to stand with democracy. The notion that we would have tanks run over those young people who were in Tahrir Square, that is not the kind of American leadership that John F. Kennedy talked about 50 years ago.

But what I've also said is that now that you have a democratically elected government in Egypt, that they have to make sure that they take responsibility for protecting religious minorities — and we have put significant pressure on them to make sure they're doing that — to recognize the rights of women, which is critical throughout the region. These countries can't develop if young women are not given the kind of education that they need.

They have to abide by their treaty with Israel. That is a red line for us, because not only is Israel's security at stake, but our security is at stake if that unravels.

They have to make sure that they're cooperating with us when it comes to counterterrorism. And we will help them with respect to developing their own economy, because ultimately, what's going to make the Egyptian revolution successful for the people of Egypt but also for the world is if those young people who gathered there are seeing opportunities. Their aspirations are similar to young people's here. They want jobs. They want to be able to make sure their kids are going to a good school. They want to make sure that they have a roof over their heads and that they have a — the prospects of a better life in the future.

And so one of the things that we've been doing is — is, for example, organizing entrepreneurship conferences with these Egyptians to — to give them a sense of how they can start rebuilding their economy in a way that's noncorrupt, that's transparent.

But what is also important for us to understand is — is that for America to be successful in this region, there are some things that we're going to have to do here at home as well. You know, one of the challenges over the last decade is we've done experiments in nation building in places like Iraq and Afghanistan. And we've neglected, for example, developing our own economy, our own energy sectors, our own education system. And it's very hard for us to project leadership around the world when we're not doing what we need to do here.

BS: Governor Romney, I want to hear your response to that, but I would just ask you, would you have stuck with Mubarak?

GMR: No, I believe, as the president indicated and said at the time, that I supported his — his action there. I felt that — I wish we'd have had a better vision of the future. I wish that, looking back at the beginning of the president's term and even further back than that, that we'd have recognized that there was a growing energy and passion for freedom in that part of the world and that we would have worked more aggressively with our — our friend and with other friends in the region to have them make the transition towards a more representative form of government such that it didn't explode in the way it did. But once it exploded, I felt the same as the president did, which is these — these freedom voices in the — the streets of Egypt where the people who were speaking of our principles and the — the — President Mubarak had done things which were unimaginable, and the idea of him crushing his people was not something that we could possibly support.

Let me — let me step back and talk about what I think our mission has to be in the Middle East, and even more broadly, because our purpose is to make sure the world is more — is peaceful. We want a peaceful planet. We want people to be able to enjoy their lives and know they're going to have a bright and prosperous future and not be at war. That's our purpose. And the mantle of — of leadership for promoting the principles of peace has fallen to America. We didn't ask for it, but it's an honor that we have it.

But for us to be able to promote those principles of peace requires us to be strong, and that begins with a strong economy here at home, and unfortunately, the economy is not stronger.
When the — when the — the president of Iraq — excuse me — of Iran, Ahmadinejad, says that our debt makes us not a great country, that's a frightening thing. The former chief of — chief of the Joint Chiefs of Staff said that — Admiral Mullen — said that our debt is the biggest national security threat we face. This — we have weakened our economy.

We need a strong economy. We need to have as well a strong military. Our military is second to none in the world. We're blessed with terrific soldiers and extraordinary technology and intelligence. But the idea of a trillion dollars in cuts through sequestration and budget cuts to the military would change that.

We need to have strong allies. Our association and — and connection with our allies is essential to America's strength. We're the — the great nation that has allies, 42 allies and friends around the world.

And finally, we have to stand by our principles. And if we're strong in each of those things, American influence will grow. But unfortunately, in nowhere in the world is America's influence greater today than it was four years ago.

BS   : All right.

GMR  : And that's because we've become weaker on each of those four dimensions.

BS   : All right — perfect. You're going to get a chance to respond to that because that's a perfect segue into our next segment, and that is what is America's role in the world. And that is the question. What do each of you see as our role in the world?

And I believe, Governor Romney, it's your turn to go first.

GMR  : Well, I — I absolutely believe that America has a — a responsibility and the privilege of helping defend freedom and promote the principles that — that make the world more peaceful. And those principles include human rights, human dignity, free enterprise, freedom of expression, elections, because when there are elections, people tend to vote for peace. They don't vote for war. So we want to — to promote those principles around the world.

We recognize that there are places of conflict in the world. We want to end those conflicts to the extent humanly possible. But in order to be able to fulfill our role in the world, America must be strong. America must lead.

And for that to happen, we have to strengthen our economy here at home. You can't have 23 million people struggling to get a job. You — you can't have an economy that over the last three years keeps slowing down its growth rate. You can't have kids coming out of college, half of whom can't find a job today, or a job that's commensurate with their college degree. We have to get our economy going.

And our military — we've got to strengthen our military long-term. We don't know what the world is going to throw at us down the road. We — we make decisions today in a military that — that will confront challenges we can't imagine.

In the 2000 debates there was no mention of terrorism, for instance. And a year later, 9/11 happened. So we have to make decisions based upon uncertainty. And that means a strong military. I will not cut our military budget.

We have to also stand by our allies. I think the tension that existed between Israel and the United States was very unfortunate. I think also that pulling our missile defense program out
of Poland in the way did we was also unfortunate in terms of, if you will, disrupting the relationship in some ways that existed between us.

And then of course, with regards to standing for our principles, when — when the students took to the streets in Tehran and the people there protested, the Green Revolution occurred. For the president to be silent I thought was an enormous mistake. We have to stand for our principles, stand for our allies, stand for a strong military and stand for a stronger economy.

BS : Mr. President.

PBO : America remains the one indispensable nation. And the world needs a strong America. And it is stronger now than when I came into office. Because we ended the war in Iraq, we were able to refocus our attention on not only the terrorist threat but also beginning a transition process in Afghanistan. It also allowed us to refocus on alliances and relationships that had been neglected for a decade.

And, Governor Romney, our alliances have never been stronger — in Asia, in Europe, in Africa, with Israel where we have unprecedented military and intelligence cooperation, including dealing with the Iranian threat. But what we also have been able to do is position ourselves so we can start rebuilding America.

And that's what my plan does: Making sure that we're bringing manufacturing back to our shores so that we're creating jobs here, as we've done with the auto industry, not rewarding companies that are shipping jobs overseas; making sure that we've got the best education system in the world, including retraining our workers for the jobs of tomorrow; doing everything we can to control our own energy.

We've cut our oil imports to the lowest level in two decades because we've developed oil and natural gas, but we also have to develop clean energy technologies that will allow us to cut our exports in half by 2020. That's the kind of leadership that we need to show.

And we've got to make sure that we reduce our deficit. Unfortunately, Governor Romney's plan doesn't do it. We've got to do it in a responsible way, by cutting out spending we don't need but also asking the wealthiest to pay a little bit more. That way we can invest in the research and technology that's always kept us at the cutting edge.

Now Governor Romney has taken a different approach throughout this campaign. You know, both at home and abroad, he has proposed wrong and reckless policies. He's praised George Bush as good economic steward and Dick Cheney as somebody who shows great wisdom and judgment. And taking us back to those kinds of strategies that got us into this mess are not the way that we are going to maintain leadership in the 21st century.

BS : Governor Romney, wrong and reckless policies?

GMR : (Chuckles.) I've got a policy for the future and an agenda for the future. And when it comes to our economy here at home, I know what it takes to create 12 million new jobs and rising take-home pay. And what we've seen over the last four years is something I don't want to see over the next four years. The — the president said by now we'd be at 5.4 percent unemployment. We're 9 million jobs short of that. I will get America working again and see rising take-home pay again. And I'll do it with five simple steps.

Number one, we're going to have North American energy independence. We're going to do it by taking full advantage of oil, coal, gas, nuclear and our renewables.

Number two, we're going to increase our trade. Trade grows about 12 percent per year. It doubles about every — every five or — or so years. We can do better than that, particularly
in Latin America. The opportunities for us in Latin America we have just not taken advantage of fully.

As a matter of fact, Latin America's economy is almost as big as the economy of China. We're all focused on China. Latin America is a huge opportunity for us: time zone, language opportunities.

Number three, we're going to have to have training programs that work for our workers and schools that finally put the parents and the teachers and the kids first, and the teachers union's going to have to go behind.

And then we're going to have to get to a balanced budget. We can't expect entrepreneurs and businesses large and small to take their life savings or their companies' money and invest in America if they think we're headed to the road to Greece. And that's where we're going right now unless we finally get off this spending and borrowing binge. And I'll get us on track to a balanced budget.

And finally, number five, we've got to champion small business. Small business is where — where jobs come from. Two-thirds of our jobs come from small businesses. New business formation is down to the lowest level in 30 years under this administration. I want to bring it back and get back good jobs and rising take-home pay.

**PBO**: Well, let's talk about what we need to compete. First of all, Governor Romney talks about small businesses, but Governor, when you were in Massachusetts, small businesses' development ranked about 48, I think, out of 50 states, in Massachusetts, because the policies that you're promoting actually don't help small businesses. And the way you define small businesses include folks at the very top. They include you and me. That's not the kind of small business promotion we need.

But — but let's take an example that we know is going to make a difference 21st century, and that's our education policy. We didn't have a lot of chance to talk about this in the last debate. You know, under my leadership, what we've done is reformed education, working with governors, 46 states. We've seen progress and gains in schools that were having a terrible time, and they're starting to finally make progress. And what I now want to do is to hire more teachers, especially in math and science, because we know that we've fallen behind when it comes to math and science. And those teachers can make a difference.

Now, Governor Romney, when you were asked by teachers whether or not this would help the economy grow, you said, this isn't going to help the economy grow. When you were asked about reduced class sizes, you said class sizes don't make a difference. But I tell you, if you talk to teachers, they will tell you it does make a difference.

And if we've got math teachers who are able to provide the kind of support that they need for our kids, that's what's going to determine whether or not the new businesses are created here. Companies are going to locate here depending on whether we've got the most highly skilled workforce.

And the kinds of budget proposals that you've put forward — when we don't ask either you or me to pay a dime more in terms of reducing the deficit, but instead we slash support for education, that's undermining our long-term competitiveness. That is not good for America's position in the world. And the world notices.

**BS**: Let me get back to foreign policy.

**GMR**: Well —
BS: Can I just get back —

GMR: Well, I need to speak a moment if you'll let me, Bob —

BS: OK.

GMR: — just about education, because I'm — I'm so proud of the state that I had the chance to be governor of. We have, every two years, tests that look at how well our kids are doing. Fourth graders and eighth graders are tested in English and math. While I was governor, I was proud that our fourth graders came out number one of all 50 states in English and then also in math, and our eighth graders number one in English and also in math — first time one state had been number one in all four measures. How did we do that?

Well, Republicans and Democrats came together on a bipartisan basis to put in place education principles that focused on having great teachers in the classroom. And that was —

PBO: Ten years earlier —

MR. ROMNEY: That was — that was what allowed us to become the number one state in the nation. And this is — and we were —

PBO: But that was 10 years before you took office.

GMR: And we — absolutely.

BS: Gentlemen —

PBO: And then you cut education spending when you came into office.

GMR: The first — the first — and we kept our schools number one in the nation. They're still number one today. And the principles that we've put in place — we also gave kids not just a graduation exam that — that determined whether they were up to the skills needed to — to be able to compete, but also, if they graduated in the top quarter of their class, they got a four-year tuition-free ride at any Massachusetts public institution of higher learning.

PBO: That happened — that happened before you came into office.

BS: Governor —

GMR: That was actually mine, actually, Mr. President. You got that fact wrong.

BS: Let me — I want to try to shift it, because we have heard some of this in the other debates. Governor, you say you want a bigger military. You want a bigger Navy. You don't want to cut defense spending. What I want to ask you, we're talking about financial problems in this country. Where are you going to get the money?

GMR: Well, let's — let's come back and talk about the military, but all the way — all the way through. First of all, I'm going through, from the very beginning, we're going to cut about 5 percent of the discretionary budget excluding military. That's number one. All right?

BS: But can you do this without driving us deeper into debt?

GMR: The good news is, I'll be happy to have you take a look. Come on our website, you'll look at how we get to a balanced budget within eight to 10 years. We do it by getting — by reducing spending in a whole series of programs. By the way, number one I get rid of is "Obamacare." There are a number of things that sound good but, frankly, we just can't afford them. And that one doesn't sound good, and it's not affordable, so I get rid of that one
from day one; to the extent humanly possible, we get that out. We take program after program that we don't absolutely have to have and we get rid of them.

Number two, we take some programs that we are going to keep, like Medicaid, which is a program for the poor. We're — take that health care program for the poor, and we give it to the states to run because states run these programs more efficiently. As a governor, I thought, please, give me this program.

BS : Can he do that?

PBO : (Inaudible.)

GMR : I can run this more efficiently than the federal government. And states, by the way, are proving it. States like Arizona, Rhode Island have taken these Medicaid dollars, have shown they can run these programs more cost effectively.

PBO : Bob —

GMR : So I want to do those two things that gets us — it gets us to a balanced budget with eight in — eight to 10 years.

PBO : Bob —

GMR : But the military —

BS : Let —

GMR : Let's go back to the military, though.

BS : Well, that's what I'm trying to find out about.

GMR : Let's talk about the military.

PBO : You should have answered the first question.

Look, Governor Romney's called for $5 trillion of tax cuts that he says he's going to pay for by closing deductions.

Now, the math doesn't work but he continues to claim that he's going to do it. He then wants to spend another $2 trillion on military spending that our military's not asking for.

Now, keep in mind that our military spending has gone up every single year that I've been in office. We spend more on our military than the next 10 countries combined — China, Russia, France, the United — United Kingdom, you name it, next 10. And what I did was work with our Joint Chiefs of Staff to think about what are we going to need in the future to make sure that we are safe? And that's the budget that we've put forward.

But what you can't do is spend $2 trillion in additional military spending that the military is not asking for, $5 trillion on tax cuts, you say that you're going to pay for it by closing loopholes and deductions without naming what those loopholes and deductions are, and then somehow you're also going to deal with the deficit that we've already got. The math simply doesn't work.

But when it comes to our military, what we have to think about is not, you know, just budgets, we got to think about capabilities. We need to be thinking about cybersecurity. We need to be thinking about space. That's exactly what our budget does, but it's driven by strategy. It's not driven by members of Congress and what they would like to see. It's driven by what are we going to need to keep the American people safe?
That's exactly what our budget does. And it also then allows us to reduce our deficit, which is a significant national security concern because we've got to make sure that our economy is strong at home so that we can project military power overseas.

GMR: Bob, I'm pleased that I've balanced budgets. I was in the world of business for 25 years.

If you didn't balance your budget, you went out of business. I went to the Olympics that was out of balance, and we got it on balance and made a success there. I had the chance to be governor of a state. Four years in a row, Democrats and Republicans came together to balance the budget. We cut taxes 19 times, balanced our budget. The president hasn't balanced a budget yet. I expect to have the opportunity to do so myself.

BS: All right.

GMR: I -- I'm going to be able to balance the budget. Let's talk about military spending, and that's this. Our Navy —

BS: About 30 seconds.

GMR: Our Navy is older — excuse me — our Navy is smaller now than any time since 1917. The Navy said they needed 313 ships to carry out their mission. We're now down to 285. We're headed down to the — to the low 200s if we go through with sequestration. That's unacceptable to me. I want to make sure that we have the ships that are required by our Navy.

Our Air Force is older and smaller than any time since it was founded in 1947. We've changed for the first time since FDR. We — since FDR we had the — we've always had the strategy of saying we could fight in two conflicts at once. Now we're changing to one conflict.

Look, this, in my view, is the highest responsibility of the president of the United States, which is to maintain the safety of the American people. And I will not cut our military budget by a trillion dollars, which is the combination of the budget cuts that the president has as well as the sequestration cuts. That, in my view, is — is — is making our future less certain and less secure. I won't do it.

PBO: Bob, I just need to comment on this. First of all, the sequester is not something that I proposed. It's something that Congress has proposed. It will not happen. The budget that we're talking about is not reducing our military spending. It's maintaining it.

But I think Governor Romney maybe hasn't spent enough time looking at how our military works. You — you mentioned the Navy, for example, and that we have fewer ships than we did in 1916. Well, Governor, we also have fewer horses and bayonets — (laughter) — because the nature of our military's changed. We have these things called aircraft carriers where planes land on them. We have these ships that go underwater, nuclear submarines.

And so the question is not a game of Battleship where we're counting ships. It's — it's what are our capabilities.

And so when I sit down with the secretary of the Navy and the Joint Chiefs of Staff, we determine how are we going to be best able to meet all of our defense needs in a way that also keeps faith with our troops, that also makes sure that our veterans have the kind of support that they need when they come home. And that is not reflected in the kind of budget that you're putting forward, because it just don't work.
BS : All right.

PBO : And you know, we've visited the website quite a bit. And it still doesn't work.

BS : A lot to cover. I'd like — (murmurs) — I'd like to move to the next segment: red lines, Israel and Iran. Would either of you — and you'll have two minutes, and President Obama, you have the first go at this one. Would either of you be willing to declare that an attack on Israel is an attack on the United States, which of course is the same promise that we give to our close allies like Japan? And if you made such a declaration, would not that deter Iran? It's certainly deterred the Soviet Union for a long, long time when we made that — when we made that promise to our allies.

Mr. President.

PBO : Well, first of all, Israel is a true friend. It is our greatest ally in the region. And if Israel is attacked, America will stand with Israel. I've made that clear throughout my presidency. And —

BS : So you're saying we've already made that declaration?

PBO : I will stand with Israel if they are attacked. And this is the reason why, working with Israel, we have created the strongest military and intelligence cooperation between our two countries in history. In fact, this week we'll be carrying out the largest military exercise with Israel in history, this very week.

But to the issue of Iran, as long as I'm president of the United States, Iran will not get a nuclear weapon.

I've made that clear when I came into office. We then organized the strongest coalition and the strongest sanctions against Iran in history, and it is crippling their economy. Their currency has dropped 80 percent. Their oil production has plunged to the lowest level since they were fighting a war with Iraq 20 years ago. So their economy is in a shambles.

And the reason we did this is because a nuclear Iran is a threat to our national security and it's threat to Israel's national security. We cannot afford to have a nuclear arms race in the most volatile region of the world. Iran's a state sponsor of terrorism, and for them to be able to provide nuclear technology to nonstate actors — that's unacceptable. And they have said that they want to see Israel wiped off the map.

So the work that we've done with respect to sanctions now offers Iran a choice. They can take the diplomatic route and end their nuclear program or they will have to face a united world and a United States president, me, who said we're not going to take any options off the table.

The disagreement I have with Governor Romney is that during the course of this campaign he's often talked as if we should take premature military action. I think that would be a mistake because when I've sent young men and women into harm's way, I always understand that that is the last resort, not the first resort.

BS : Two minutes.

GMR : Well, first of all, I — I want to underscore the — the same point the president made, which is that if I'm president of the United States, when I'm president of the United States, we will stand with Israel. And — and if Israel is attacked, we have their back, not just diplomatically, not just culturally, but militarily. That's number one.
Number two, with regards to — to Iran and the threat of Iran, there's no question but that a nuclear Iran, a nuclear-capable Iran, is unacceptable to America.

It presents a threat not only to our friends, but ultimately a threat to us to have Iran have nuclear material, nuclear weapons that could be used against us or used to be threatening to us.

It's also essential for us to understand what our mission is in Iran, and that is to dissuade Iran from having a nuclear weapon through peaceful and diplomatic means. And crippling sanctions are something I'd called for five years ago when I was in Israel speaking at the Herzliya Conference. I laid out seven steps.

Crippling sanctions were number one. And they do work. You're seeing it right now in the economy. It's absolutely the right thing to do to have crippling sanctions. I'd have put them in place earlier, but it's good that we have them.

Number two, something I would add today is I would tighten those sanctions. I would say that ships that carry Iranian oil can't come into our ports. I imagine the EU would agree with us as well. Not only ships couldn't, I'd say companies that are moving their oil can't, people who are trading in their oil can't. I would tighten those sanctions further.

Secondly, I'd take on diplomatic isolation efforts. I'd make sure that Ahmadinejad is indicted under the Genocide Convention. His words amount to genocide incitation. I would indict him for it. I would also make sure that their diplomats are treated like the pariah they are around the world, the same way we treated the apartheid diplomats of South Africa.

We need to increase pressure time and time again on Iran because anything other than a — a — a solution to this which says — which stops this nuclear folly of theirs is unacceptable to America. And of course, a military action is the last resort. It is something one would only, only consider if all of the other avenues had been — had been tried to their full extent.

BS : Let me ask both of you, there — as you know, there are reports that Iran and the United States, as part of an international group, have agreed in principle to talks about Iran's nuclear program. What is the deal if there are such talks? What is the deal that you would accept? Mr. President.

PBO : Well, first of all, those were reports in the newspaper. They are not true. But our goal is to get Iran to recognize it needs to give up its nuclear program and abide by the U.N. resolutions that have been in place, because they have the opportunity to re-enter the community of nations, and we would welcome that. There are — there are people in Iran who have the same aspirations as people all around the world, for a better life. And we hope that their leadership takes the right decision. But the deal we'll accept is, they end their nuclear program. It's very straightforward.

And you know, I'm glad that Governor Romney agrees with the steps that we're taking. You know, there have been times, Governor, frankly, during the course of this campaign, where it sounded like you thought that you'd do the some things we did, but you'd say them louder and somehow that that would make a difference, and it turns out that the work involved in setting up these crippling sanctions is painstaking; it's meticulous. We started from the day we got into office.

And the reason it was so important — and this is a testament to how we've restored American credibility and strength around the world — is we had to make sure that all the countries participated, even countries like Russia and China, because if it's just us that are imposing sanctions, we've had sanctions in place for a long time. It's because we got everybody to agree that Iran is seeing so much pressure. And we've got to maintain that
pressure. There is a deal to be had, and that is that they abide by the rules that have already been established; they convince the international community they are not pursuing a nuclear program; there are inspections that are very intrusive. But over time, what they can do is regain credibility. In the meantime, though, we're not going to let up the pressure until we have clear evidence that that takes place.

And one last thing. I'm — just to make this point: The clock is ticking.

We're not going to allow Iran to perpetually engage in negotiations that lead nowhere. And I've been very clear to them, you know, because of the intelligence coordination that we do with a range of countries, including Israel, we have a sense of when they would get breakout capacity, which means that we would not be able to intervene in time to stop their nuclear program, and that clock is ticking.

BS : All right.

PBO : And we're going to make sure that if they do not meet the demands of the international community, then we are going to take all options necessary to make sure they don't have a nuclear weapon.

BS : Governor.

GMR : I think from the very beginning, one of the challenges we've had with Iran is that they have looked at this administration and — and felt that the administration was not as strong as it needed to be. I think they saw weakness where they had expected to find American strength.

And I say that because from the very beginning, the president, in his campaign some four years ago, said he'd meet with all the world's worst actors in his first year. He'd — he'd sit down with Chavez and — and Kim Jong-Il, with Castro and with — with President Ahmadinejad of — of Iran. And — and I think they looked and thought, well, that's an unusual honor to receive from the president of the United States.

And then the president began what I've called an apology tour of going to — to various nations in the Middle East and — and criticizing America. I think they looked at that and saw weakness. Then when there were dissidents in the streets of Tehran, the Green Revolution, holding signs saying, is America with us, the president was silent. I think they noticed that as well. And I think that when the president said he was going to create daylight between ourselves and Israel that — that they noticed that as well.

All of these things suggested, I think, to the Iranian mullahs that, hey, you know, we can keep on pushing along here; we can keep talks going on, but we're just going to keep on spinning centrifuges. Now there are some 10,000 centrifuges spinning uranium, preparing to — to create a — a — a nuclear threat to the United States and to the world.

That's unacceptable for us, and — and — and it's essential for a president to show strength from the very beginning to make it very clear what is acceptable and not acceptable. And an Iranian nuclear program is not acceptable to us. They must not develop nuclear capability. And the way to make sure they understand that is by having from the very beginning the tightest sanctions possible. They need to be tightened. Our diplomatic isolation needs to be tougher. We need to indict Ahmadinejad. We need to put the pressure on them as hard as we possibly can, because if we do that, we won't have to take the military action.

PBO : Bob, let me just respond. Nothing Governor Romney just said is true, starting with this notion of me apologizing. This has been probably the biggest whopper that's been told
during the course of this campaign, and every fact-checker and every reporter who's looked at it, Governor, has said this is not true.

And when it comes to tightening sanctions, look, as I said before, we've put in the toughest, most crippling sanctions ever. And the fact is while we were coordinating an international coalition to make sure these sanctions were effective, you were still invested in a Chinese state oil company that was doing business with the Iranian oil sector. So I'll let the American people decide, judge who's going to be more effective and more credible when it comes to imposing crippling sanctions.

And with respect to our attitude about the Iranian revolution, I was very clear about the murderous activities that had taken place, and that was contrary to international law and everything that civilized people stand for. And — and so the strength that we have shown in Iran is shown by the fact that we've been able to mobilize the world. When I came into office, the world was divided. Iran was resurgent. Iran is at its weakest point economically, strategically, militarily than since — than in many years.

And we are going to continue to keep the pressure on to makes sure that they do not get a nuclear weapon. That's in America's national interest, and that will be the case so long as I'm president.

GMR : We're four years closer to a nuclear Iran. We're four years closer to a nuclear Iran. And — and we should not have wasted these four years to the extent they've — they continue to be able to spin these centrifuges and get that much closer. That's number one.

Number two, Mr. President, the reason I call it an apology tour is because you went to the Middle East and you flew to — to Egypt and to Saudi Arabia and to — to Turkey and Iraq. And — and by way, you skipped Israel, our closest friend in the region, but you went to the other nations. And by the way, they noticed that you skipped Israel. And then in those nations and on Arabic TV you said that America had been dismissive and derisive. You said that on occasion America had dictated to other nations. Mr. President, America has not dictated to other nations. We have freed other nations from dictators.

PBO : Bob, let me — let me respond. You know, if we're going to talk about trips that we've taken, you know, when I was a candidate for office, first trip I took was to visit our troops.

And when I went to Israel as a candidate, I didn't take donors, I didn't attend fundraisers, I went to Yad Vashem, the — the Holocaust museum there, to remind myself the — the nature of evil and why our bond with Israel will be unbreakable.

And then I went down to the border towns of Sderot, which had experienced missiles raining down from Hamas. And I saw families there who showed me where missiles had come down near their children's bedrooms, and I was reminded of — of what that would mean if those were my kids, which is why, as president, we funded an Iron Dome program to stop those missiles.

So that's how I've used my travels when I travel to Israel and when I travel to the region.

And the central question at this point is going to be, who's going to be credible to all parties involved?

And they can look at my track record — whether it's Iran sanctions, whether it's dealing with counterterrorism, whether it's supporting democracy, whether it's supporting women's rights, whether it's supporting religious minorities — and they can say that the president of the United States and the United States of America has stood on the right side of history. And —
and that kind of credibility is precisely why we've been able to show leadership on a wide range of issues facing the world right now.

**BS**: What if — what if the prime minister of Israel called you on the phone and said: Our bombers are on the way. We're going to bomb Iran. What do you say?

**GMR**: Bob, let's not go into hypotheticals of that nature. Our relationship with Israel, my relationship with the prime minister of Israel is such that we would not get a call saying our bombers are on the way or their fighters are on the way. This is the kind of thing that would have been discussed and thoroughly evaluated well before that kind of action.

**BS**: So you're saying just what —

**GMR**: I'm — that's — that's —

**BS**: OK. But let's see what — (inaudible) —

**GMR**: Yes, but let me — let me — let me come back — let's come back — let's come back and go back to what the president was speaking about, which is what's happening in the world and — and — and the president's statement that things are going so well.

Look, I — I look at what's happening around the world and I see Iran four years closer to a bomb. I see the Middle East with a rising tide of violence, chaos, tumult. I see jihadists continuing to spread. Whether they're rising or just about the same level hard to — hard to precisely measure, but it's clear they're there. They're very, very strong.

I see Syria with 30,000 civilians dead, Assad still in power. I see our trade deficit with China larger than it's — growing larger every year as a matter of fact. I look around the world and I don't feel that — you see North Korea continuing to export their nuclear technology.

Russia's said they're not going to follow Nunn-Lugar anymore; they're (back ?) away from their nuclear proliferation treaty that we had with them. I look around the world, I don't see our influence growing around the world. I see our influence receding, in part because of the failure of the president to deal with our economic challenges at home, in part because of our withdrawal from our commitment to our military and the way I think it ought to be, in part because of the — the — the turmoil with Israel. I mean, the president received a letter from 38 Democrat senators saying the tensions with Israel were a real problem.

**PBO**: No.

**GMR**: They asked him, please repair the tension — Democrat senators — please repair the damage in his — in his own party.

**BS** (?): All right.

**PBO**: Governor, the problem is, is that on a whole range of issues, whether it's the Middle East, whether it's Afghanistan, whether it's Iraq, whether it's now Iran, you've been all over the map. I mean, I'm pleased that you now are endorsing our policy of applying diplomatic pressure and potentially having bilateral discussions with the Iranians to end their nuclear program. But just a few years ago you said that's something you'd never do, in the same way that you initially opposed a time table in Afghanistan, now you're for it, although it depends; in the same way that you say you would have ended the war in Iraq, but recently gave a speech saying that we should have 20,000 more folks in there; the same way that you said that it was mission creep to go after Gadhafi.

When it comes to going after Osama bin Laden, you said, well, any president would make that call. But when you were a candidate in 2008 — as I was — and I said, if I got bin Laden
in our sights, I would take that shot, you said we shouldn't move heaven and earth to get one man, and you said we should ask Pakistan for permission.

And if we had asked Pakistan for permission, we would not have gotten it. And it was worth moving heaven and earth to get him.

You know, after we killed bin Laden, I was at Ground Zero for a memorial and talked to a — a — a young woman who was 4 years old when 9/11 happened. And the last conversation she had with her father was him calling from the twin towers, saying, Peyton (sp), I love you, and I will always watch over you. And for the next decade she was haunted by that conversation. And she said to me, you know, by finally getting bin Laden, that brought some closure to me.

And when we do things like that, when we bring those who have harmed us to justice, that sends a message to the world, and it tells Peyton (sp) that we did not forget her father.

BS : All right.

PBO : And — and I make that point because that's the kind of clarity of leadership — and those decisions are not always popular. Those decisions generally are not poll-tested. And even some in my own party, including my current vice president, had the same critique as you did. But what the American people understand is, is that I look at what we need to get done to keep the American people safe and to move our interests forward, and I make those decisions.

BS : All right. Let's go — and that leads us — this takes us right to the next segment, Governor, America's longest war, Afghanistan and Pakistan.

GMR : Bob —

BS : Governor, you get to go first.

GMR : You can't — you can't — well, OK, but you can't have the president just lay out a whole series of items without giving me a chance to respond.

BS : With respect, sir, you had laid out quite a program there.

GMR : Well, that's probably true. (Chuckles.)

BS : And we'll — we'll give you —

PBO : We'll agree (with that ?).

BS : We'll catch you up.

The United States is scheduled to turn over responsibility for security in Afghanistan to the Afghan government in 2014.

At that point we will withdraw our combat troops, leave a smaller force of Americans, if I understand our policy, in Afghanistan for training purposes. It seems to me the key question here is what do you do if the deadline arrives and it is obvious the Afghans are unable to handle their security? Do we still leave? And I believe Governor Romney, it — you go first.

GMR : Well, we're going to be finished by 2014. And when I'm president, we'll make sure we bring our troops out by the end of 2014. The commanders and the generals there are on track to do so. We've seen progress over the past several years. The surge has been successful, and the training program is proceeding apace. There are now a large number of
Afghan security forces, 350,000, that are — are ready to step in to provide security. And — and we're going to be able to make that transition by the end of — of 2014. So our troops'll come home at that point.

I — I can tell you, at the same time, that — that we will make sure that we — we look at what's happening in Pakistan and recognize that what's happening in Pakistan is going to have a major impact on the success in Afghanistan. And — and I say that because I know a lot of people just feel like we should just brush our hands and walk away. And I don't mean you, Mr. President, but some people in the — in our nation feel that Pakistan (doesn't ?) — being nice to us and that we should just walk away from them.

But Pakistan is important to the region, to the world and to us, because Pakistan has 100 nuclear warheads, and they're rushing to build a lot more. They'll have more than Great Britain sometime in the — in the relatively near future. They also have the Haqqani network and — and the Taliban existent within their country. And so a — a Pakistan that falls apart, becomes a failed state would be of extraordinary danger to Afghanistan and us. And so we're going to have to remain helpful in encouraging Pakistan to move towards a — a more stable government and — and rebuild a relationship with us. And that means that — that — that our aid that we provide to Pakistan is going to have to be conditioned upon certain benchmarks being met.

So for me, I look at this as both a — a — a need to help move Pakistan in the right direction and also to get Afghanistan to be ready. And they will be ready by the end of 2014.

BS : Mr. President.

PBO : You know, when I came into office, we were still bogged down in Iraq, and Afghanistan had been drifting for a decade. We ended the war in Iraq, refocused our attention on Afghanistan. And we did deliver a surge of troops. That was facilitated in part because we had ended the war in Iraq.

And we are now in a position where we have met many of the objectives that got us there in the first place. Part of what had happened is we'd forgotten why we'd gone. We went because there were people who were responsible for 3,000 American deaths. And so we decimated al-Qaida's core leadership in the border regions between Afghanistan and Pakistan. We then started to build up Afghan forces. And we're now in a position where we can transition out, because there's no reason why Americans should die when Afghans are perfectly capable of defending their own country.

Now, that transition's — has to take place in a responsible fashion. We've been there a long time, and we've got to make sure that we and our coalition partners are pulling out responsibly and giving Afghans the capabilities that they need.

But what I think the American people recognize is after a decade of war, it's time to do some nation-building here at home. And what we can now do is free up some resources to, for example, put Americans back to work, especially our veterans, rebuilding our roads, our bridges, our schools, making sure that, you know, our veterans are getting the care that they need when it comes to post-traumatic stress disorder and traumatic brain injury, making sure that the certifications that they need for good jobs of the future are in place.

You know, I was having lunch with some — a veteran in Minnesota who had been a medic dealing with the most extreme circumstances. When he came home and he wanted to become a nurse, he had to start from scratch. And what we've said is, let's change those certifications.

The first lady has done great work with an organization called Joining Forces putting our veterans back to work. And as a consequence, veterans' unemployment is actually now lower
than general population, it was higher when I came into office. So those are the kinds of things that we can now do because we're making that transition in Afghanistan.

BS : All right. Let me go to Governor Romney because you talked about Pakistan and what needs to be done there. General Allen, our commander in Afghanistan, says that Americans continue to die at the hands of groups who are supported by Pakistan. We know that Pakistan has arrested the doctor who helped us catch Obama's — bin Laden. It still provides safe haven for terrorists, yet we continue to give Pakistan billions of dollars. Is it time for us to divorce Pakistan?

GMR : No, it's not time to divorce a nation on earth that has a hundred nuclear weapons and is on the way to double that at some point, a nation that has serious threats from terrorist groups within its nation — as I indicated before, the Taliban, Haqqani network. It's a nation that's not like — like others and that does not have a civilian leadership that is calling the shots there.

You've got the ISI, their intelligence organization is probably the most powerful of the — of the three branches there. Then you have the military and then you have the — the civilian government. This is a nation which if it falls apart — if it becomes a failed state, there are nuclear weapons there and you've got — you've got terrorists there who could grab their — their hands onto those nuclear weapons.

This is — this is an important part of the world for us. Pakistan is — is technically an ally, and they're not acting very much like an ally right now, but we have some work to do.

And I — I don't blame the administration for the fact that the relationship with Pakistan is strained. We had to go into Pakistan; we had to go in there to get Osama bin Laden. That was the right thing to do. And that upset them, but there was obviously a great deal of anger even before that. But we're going to have to work with the — with the people in Pakistan to try and help them move to a more responsible course than the one that they're on. And it's important for them, it's important for the nuclear weapons, it's important for the success of Afghanistan, because inside Pakistan you have a large group of Pashtuns that are — that are Taliban, that they're going to come rushing back into Afghanistan when we go. And that's one of the reasons the Afghan security forces have so much work to do to be able to fight against that. But it's important for us to recognize that we can't just walk away from Pakistan. But we do need to make sure that as we — as we send support for them, that this is tied to them making progress on — on matters that would lead them to becoming a civil society.

BS : Let me ask you, Governor, because we know President Obama's position on this, what is — what is your position on the use of drones?

GMR : Well, I believe that we should use any and all means necessary to take out people who pose a threat to us and our friends around the world. And it's widely reported that drones are being used in drone strikes, and I support that entirely and feel the president was right to up the usage of that technology and believe that we should continue to use it to continue to go after the people who represent a threat to this nation and to our friends.

Let me also note that, as I said earlier, we're going to have to do more than just going after leaders and — and killing bad guys, important as that is. We're also going to have to have a far more effective and comprehensive strategy to help move the world away from terror and Islamic extremism.

We haven't done that yet. We talk a lot about these things, but you look at the — the record. You look at the record of the last four years and say, is Iran closer to a bomb? Yes. Is the Middle East in tumult? Yes. Is — is al-Qaida on the run, on its heels? No. Is — are Israel and the Palestinians closer to — to reaching a peace agreement? No, they haven't had talks in
two years. We have not seen the progress we need to have, and I'm convinced that with strong leadership and an effort to build a strategy based upon helping these nations reject extremism, we can see the kind of peace and prosperity the world demands.

PBO : Well, keep in mind our strategy wasn't just going after bin Laden. We've created partnerships throughout the region to deal with extremism — in Somalia, in Yemen, in Pakistan. And what we've also done is engage these governments in the kind of reforms that are actually going to make a difference in people's lives day to day, to make sure that their government aren't corrupt, to make sure that they are treating women with the kind of respect and dignity that every nation that succeeds has shown, and to make sure that they've got a free market system that works.

So across the board, we are engaging them in building capacity in these countries and we have stood on the side of democracy. One thing I think Americans should be proud of — when Tunisians began to protest, this nation, me, my administration stood with them earlier than just about any other country. In Egypt we stood on the side of democracy. In Libya we stood on the side of the people. And as a consequence there is no doubt that attitudes about Americans have changed.

But there are always going to be elements in these countries that potentially threaten the United States.

And we want to shrink those groups and those networks, and we can do that, but we're always also going to have to maintain vigilance when it comes to terrorist activities. The truth, though, is that al-Qaida is much weaker than it was when I came into office, and they don't have the same capacities to attack the U.S. homeland and our allies as they did four years ago.

BS : Let's go to the next segment because it's a very important one. It is the rise of China and future challenges for America. I want to just begin this by asking both of you — and Mr. President, you go first this time — what do you believe is the greatest future threat to the national security of this country?

PBO : Well, I think it will continue to be terrorist networks. We have to remain vigilant, as I just said.

But with respect to China, China's both an adversary but also a potential partner in the international community if it's following the rules. So my attitude coming into office was that we are going to insist that China plays by the same rules as everybody else.

And I know Americans had — had seen jobs being shipped overseas, businesses and workers not getting a level playing field when it came to trade. And that's the reason why I set up a trade task force to go after cheaters when it came to international trade. That's the reason why we have brought more cases against China for violating trade rules than the other — the previous administration had done in two terms. And we've won just about every case that we've filed, that — that has been decided. In fact, just recently, steelworkers in Ohio and throughout the Midwest, Pennsylvania, are in a position now to sell steel to China because we won that case.

We had a tire case in which they were flooding us with cheap domestic tires — or — or — or cheap Chinese tires. And we put a stop to it and, as a consequence, saved jobs throughout America. I have to say that Governor Romney criticized me for being too tough in that tire case, said this wouldn't be good for American workers and that it would be protectionist. But I tell you, those workers don't feel that way. They feel as if they had finally an administration who was going to take this issue seriously.
Over the long term, in order for us to compete with China, we've also got to make sure, though, that we're taking — taking care of business here at home. If we don't have the best education system in the world, if we don't continue to put money into research and technology that will allow us to — to create great businesses here in the United States, that's how we lose the competition. And unfortunately, Governor Romney's budget and his proposals would not allow us to make those investments.

BS : All right, Governor.

GMR : Well, first of all, it's not government that makes business successful. It's not government investments that make businesses grow and hire people.

Let me also note that the greatest threat that the world faces, the greatest national security threat, is a nuclear Iran.

Let's talk about China. China has an interest that's very much like ours in one respect, and that is they want a stable world. They don't want war. They don't want to see protectionism. They don't want to see the — the world break out into — into various forms of chaos, because they have to — they have to manufacture goods and put people to work. And they have about 20,000 — 20 million, rather, people coming out of the farms every year, coming into the cities, needing jobs. So they want the economy to work and the world to be free and open.

And so we can be a partner with China. We don't have to be an adversary in any way, shape or form. We can work with them. We can collaborate with them if they're willing to be responsible.

Now, they look at us and say, is it a good idea to be with America?

How strong are we going to be? How strong is our economy?

They look at the fact that we owe them a trillion dollars and owe other people 16 trillion (dollars) in total, including them. They — they look at our — our decision to — to cut back on our military capabilities — a trillion dollars. The secretary of defense called these trillion dollars of cuts to our military devastating. It's not my term. It's the president's own secretary of defense called them devastating. They look at America's commitments around the world and they see what's happening and they say, well, OK, is America going to be strong? And the answer is yes. If I'm president, America will be very strong.

We'll also make sure that we have trade relations with China that work for us. I've watched year in and year out as companies have shut down and people have lost their jobs because China has not played by the same rules, in part by holding down artificially the value of their currency. It holds down the prices of their goods. It means our goods aren't as competitive and we lose jobs. That's got to end.

They're making some progress; they need to make more. That's why on day one I will label them a currency manipulator which allows us to apply tariffs where they're taking jobs. They're stealing our intellectual property, our patents, our designs, our technology, hacking into our computers, counterfeiting our goods. They have to understand, we want to trade with them, we want a world that's stable, we like free enterprise, but you got to play by the rules.

BS : Well, Governor, let me just ask you, if you declare them a currency manipulator on day one, some people are saying you're just going to start a trade war with China on day one. Is that — isn't there a risk that that could happen?
GMR : Well, they sell us about this much stuff every year. And we sell them about this much stuff every year. So it's pretty clear who doesn't want a trade war. And there's one going on right now that we don't know about. It's a silent one and they're winning. We have an enormous trade imbalance with China. And it's worse this year than last year. And it was worse last year than the year before.

And — and so we have to understand that we can't just surrender and — and lose jobs year in and year out. We have to say to our friends in China, look, you guys are playing aggressively, we understand it, but — but this can't keep on going. You can't keep on holding down the value of your currency, stealing our intellectual property, counterfeiting our products, selling them around the world, even into the United States.

I was with one company that makes valves in — in process industries. And they said, look, we were — we were having some valves coming in that — that were broken, and we had to repair them under warranty. And we looked them up, and — and they had our serial number on them. And then we noticed that — that there was more than one with that same serial number. They were counterfeit products being made overseas with the same serial number as a U.S. company, the same packaging. These were being sold into our market and around the world as if they were made by the U.S. competitor.

This can't go on. I want a great relationship with China. China can be our partner. But — but that doesn't mean they can just roll all over us and steal our jobs on an unfair basis.

PBO : Well, Governor Romney's right. You are familiar with jobs being shipped overseas, because you invested in companies that were shipping jobs overseas. And, you know, that's your right. I mean, that's how our free market works.

But I've made a different bet on American workers. You know, if we had taken your advice, Governor Romney, about our auto industry, we'd be buying cars from China instead of selling cars to China. If we take your advice with respect to how we change our tax codes so that companies that are in profits overseas don't pay U.S. taxes compared to companies here that are paying taxes, now, that's estimated to create 800,000 jobs. The problem is they won't be here; they'll be in places like China. And if we're not making investments in education and basic research, which is not something that the private sector is doing at a sufficient pace right now and has never done, then we will lose the lead in things like clean energy technology.

Now, with respect to what we've done with China already, U.S. exports have doubled, since I came into office, to China. And actually, currencies are at their most advantageous point for U.S. exporters since 1993. We absolutely have to make more progress, and that's why we're going to keep on pressing.

And when it comes to our military and Chinese security, part of the reason that we were able to pivot to the Asia-Pacific region after having ended the war in Iraq and transitioning out of Afghanistan, is precisely because this is going to be a massive growth area in the future. And we believe China can be a partner, but we're also sending a very clear signal that America is a Pacific power, that we are going to have a presence there. We are working with countries in the region to make sure, for example, that ships can pass through, that commerce continues. And we're organizing trade relations with countries other than China so that China starts feeling more pressure about meeting basic international standards. That's the kind of leadership we've shown in the region. That's the kind of leadership that we'll continue to show.

GMR : I just want to take one of those points. Again, attacking me is not talking about an agenda for getting more trade and opening up more jobs in this country. But the president
mentioned the auto industry and that somehow I would be in favor of jobs being elsewhere. Nothing could be further from the truth. I'm a son of Detroit. I was born in Detroit. My dad was head of a car company. I like American cars. And I would do nothing to hurt the U.S. auto industry. My plan to get the industry on its feet when it was in real trouble was not to start writing checks. It was President Bush that wrote the first checks. I disagree with that. I said they need — these companies need to go through a managed bankruptcy, and in that process they can get government help and government guarantees, but they need to go through bankruptcy to get rid of excess cost and the debt burden that they'd — they'd built up.

And fortunately the president picked —

PBO : Governor Romney, that's not what you said.

GMR : Fortunately, the president — you can take — you can take a look at the op-ed.

PBO : Governor, you did not —

GMR : You can take a look at the op-ed.

PBO : You did not say that you would provide, Governor, help.

GMR : You know, I'm — I'm still speaking. I said that we would provide guarantees and — and that was what was able to allow these companies to go through bankruptcy, to come out of bankruptcy. Under no circumstances would I do anything other than to help this industry get on its feet. And the idea that has been suggested that I would liquidate the industry — of course not. Of course not.

PBO : Let's check the record.

GMR : That's the height of silliness.

PBO : Let's — let's check the record.

GMR : I have never said I would — I would liquidate the industry. I want to keep the industry growing and thriving.

PBO : Governor, the people in Detroit don't forget.

GMR : And — and that's I have the kind of commitment to make sure that our industries in this country can compete and be successful. We in this country can compete successfully with anyone in the world. And we're going to. We're going to have to have a president, however, that doesn't think that somehow the government investing in — in car companies like Tesla and — and Fisker, making electric battery cars — this is not research, Mr. President. These are the government investing in companies, investing in Solyndra. This is a company. This isn't basic research. I — I want to invest in research. Research is great. Providing funding to universities and think tanks — great. But investing in companies? Absolutely not. That's the wrong way to go.

PBO : Governor, the fact of the matter is —

GMR : I'm still speaking.

PBO : Well — (chuckles) —

GMR : So I want to make sure that we make — we make America more competitive —

PBO : Yeah.
GMR: — and that we do those things that make America the most attractive place in the world for entrepreneurs, innovators, businesses to grow. But your investing in companies doesn't do that. In fact it makes it less likely for them to come here —

PBO: All right, Governor —

GMR: — because the private sector's not going to invest in a — in a — in a solar company if —

PBO: I'm happy — I'm — I'm — I'm happy to respond —

GMR: — if you're investing government money and someone else's.

PBO: You've held the floor for a while. The — look, I think anybody out there can check the record. Governor Romney, you keep on trying to, you know, airbrush history here.

You were very clear that you would not provide government assistance to the U.S. auto companies even if they went through bankruptcy. You said that they could get it in the private marketplace. That wasn't true. They would have gone through a —

GMR: You're wrong. You're wrong. Mr. President.

PBO: I — no, I am not wrong.

GMR: You're wrong.

PBO: I am not wrong. And —

GMR: People can look it up. You're right.

PBO: People will look it up.

GMR: Good.

PBO: But more importantly, it is true that in order for us to be competitive, we're going to have to make some smart choices right now. Cutting our education budget — that's not a smart choice. That will not help us compete with China. Cutting our investments in research and technology — that's not a smart choice. That will not help us compete with China. Bringing down (sic) our deficit by adding $7 trillion of tax cuts and military spending that our military's not asking for before we even get to the debt that we currently have — that is not going to make us more competitive. Those are the kinds of choices that the American people face right now. Having a tax code that rewards companies that are shipping jobs overseas instead of companies that are investing here in the United States — that will not make us more competitive.

And — and the one thing that I'm absolutely clear about is that after a decade in which we saw drift, jobs being shipped overseas, nobody championing American workers and American businesses, we've now begun to make some real progress. What we can't do is go back to the same policies that got us into such difficulty in the first place. And that's why we have to move forward and not go back.

GMR: I couldn't agree more about going forward, but I certainly don't want to go back to the policies of the last four years. The policies of the last four years have seen incomes in America decline every year for middle-income families, now down $4,300 during your term, 23 million Americans still struggling to find a good job. When you came into office, 32 million people on food stamps — today 47 million people on food stamps.
When you came to office, just over $10 trillion in debt — now $16 trillion in debt. It hasn't worked. You said by now we'd be at 5.4 percent unemployment. We're 9 million jobs short of that. I've met some of those people. I've met them in Appleton, Wisconsin. I — I met a young woman in — in — in Philadelphia who's coming out of — out of college, can't find work. I've been — Ann was with someone just the other day that was just weeping about not being able to get work. It's just a tragedy in a nation so prosperous as ours that these last four years have been so hard.

And that — and that's why it's so critical that we make America once again the most attractive place in the world to start businesses, to build jobs, to grow the economy. And that's not going to happen by — by just hiring teachers. Look, I — I love to — I love teachers, and I'm happy to have states and communities that want to hire teachers, do that. I — by the way, I don't like to have the federal government start pushing its way deeper and deeper into — into our schools. Let the states and localities do that. I was a governor. The federal government didn't hire our teachers.

BS : Governor —

GMR : But I love teachers. But I want to get our private sector growing, and I know how to do it.

BS : I think we all love teachers. (Laughter.) Gentlemen, thank you so much for a very vigorous debate. We have come to the end. It is time for closing statements. I believe you're first, Mr. President.

PBO : Well, thank you very much Bob, Governor Romney, and to Lynn University.

You know, you've now heard three debates, months of campaigning and way too many TV commercials. (Laughter.) And now you've got a choice. You know, over the last four years, we've made real progress digging our way out of policies that gave us two prolonged wars, record deficits and the worst economic crisis since the Great Depression.

And Governor Romney wants to take us back to those policies: a foreign policy that's wrong and reckless; economic policies that won't create jobs, won't reduce our deficit, but will make sure that folks at the very top don't have to play by the same rules that you do.

And I've got a different vision for America. I want to build on our strengths. And I put forward a plan to make sure that we're bringing manufacturing jobs back to our shores by rewarding companies and small businesses that are investing here not overseas. I want to make sure we've got the best education system in the world and we're retraining our workers for the jobs of tomorrow.

I want to control our own energy by developing oil and natural gas, but also the energy sources of the future. Yes, I want to reduce our deficit by cutting spending that we don't need, but also by asking the wealthy to do a little bit more so that we can invest in things like research and technology that are the key to a 21st century economy.

As commander in chief, I will maintain the strongest military in the world, keep faith with our troops and go after those who would do us harm. But after a decade of war, I think we all recognize we got to do some nation building here at home, rebuilding our roads, our bridges and especially caring for our veterans who've sacrificed so much for our freedom.

You know, we've been through tough times, but we always bounce back because of our character, because we pull together. And if I have the privilege of being your president for another four years, I promise you I will always listen to your voices, I will fight for your
families and I will work every single day to make sure that America continues to be the
greatest nation on earth. Thank you.

BS : Governor.

GMR : Thank you, Bob, Mr. President, folks at Lynn University — good to be with you.
I'm optimistic about the future. I'm excited about our prospects as a nation. I want to see
peace. I want to see growing peace in this country, it's our objective. We have an opportunity
to have real leadership. America's going to have that kind of leadership and continue to
promote principles of peace that'll make a world the safer place and make people in this
country more confident that their future is secure.

I also want to make sure that we get this economy going. And there are two very different
paths the country can take. One is a path represented by the president, which, at the end of
four years, would mean we'd have $20 trillion in debt, heading towards Greece. I'll get us on
track to a balanced budget. The president's path will mean continuing declining in take-home
pay. I want to make sure our take-home pay turns around and starts to grow. The president's
path means 20 million people out of work struggling for a good job. I'll get people back to
work with 12 million new jobs. I'm going to make sure that we get people off of food stamps
not by cutting the program but by getting them good jobs.

America's going to come back. And for that to happen, we're going to have to have a
president who can work across the aisle. I was in a state where my legislature was 87 percent
Democrat. I learned how to get along on the other side of the aisle. We've got to do that in
Washington. Washington is broken. I know what it takes to get this country back. And we'll
work with good Democrats and good Republicans to do that.

This nation is the hope of the earth. We've been blessed by having a nation that's free and
prosperous thanks to the contributions of the Greatest Generation. They've held a torch for
the world to see, the torch of freedom and hope and opportunity. Now it's our turn to take
that torch. I'm convinced we'll do it. We need strong leadership. I'd like to be that leader,
with your support. I'll work with you. I'll lead you in an open and honest way. And I ask for
your vote. I'd like to be the next president of the United States to support and help this great
nation, and to make sure that we all together maintain America as the hope of the earth.
Thank you so much.

BS : Gentlemen, thank you both so much. That brings an end to this year's debates. And
we want to thank Lynn University and its students for having us. As I always do at the end of
these debates, I leave you with the words of my mom who said, go vote. It makes you feel
big and strong.

PBO : That's great.

BS : Good night.

PBO : Thank you.