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Republican presidential debate (full transcript)

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CHARLIE ROSE: I am pleased to be here at this table to have an opportunity to talk to them about the issues that all of us are thinking about, and I begin this evening first with Herman Cain.

As you know, when Standard & Poor's downgraded American credit, they noted not only the economic difficulties but the political dysfunction. So we begin this evening with the question: What would you do specifically to end the paralysis in Washington?

HERMAN CAIN: Two things: Present a bold plan to grow this economy, which -- I have put my 9-9-9 plan on the table, and it starts with throwing out the current tax code and putting in the 9-9-9 plan.

Secondly, get serious about bringing down the national debt. The only way we're going to do that is the first year that I'm president and I oversee a fiscal year budget, make sure that revenues equals spending. If we stop adding to the national debt, we can bring it down.

So the answer is, we must grow this economy with a bold solution, which is why I've proposed 9-9-9 and at same time get serious about not creating annual deficits, so we can bring the national debt. That will re-establish confidence in our system, and I believe we could get our credit rating back.

MR. ROSE: Governor Perry, are you prepared, even though you have said you want to make Washington inconsequential, to go to Washington and, as Ronald Reagan did, compromise on spending cuts

and taxes in order to produce results?

GOVERNOR RICK PERRY (R-TX): Well, certainly, as the governor of the second-largest state, I've had to deal with folks on both sides of the aisle.

I've signed six balanced budgets as the governor of -- of Texas. So working with folks on both sides of the aisle and -- and bringing ideas, whether it's ways to redo your tax structure or what have you.

One of the things that I laid out today I think is a pretty bold plan to put 1.2 million Americans working in the energy industry. And you don't need Congress to do that; you need a president with a plan, which I'm laying out over the next three days, and clearly the intent to open up this treasure trove that America's sitting on and getting America independent on the domestic energy side. It's time for another American Declaration of Independence. It's time for energy independence.

MR. ROSE: We'll come back to energy and also your economic plan this evening, but I go now to Governor Romney.

The paralysis is there and everybody's concerned about it. What specifically would you be prepared to do to make the country moving again on addressing its problems?

MITT ROMNEY: I'd be prepared to be a leader. You can't get the country to go in the right direction and get Washington to work if you don't have a president that's a leader. And -- and three years ago we selected a person who'd never had any leadership experience, never worked in the private sector, never had the opportunity to actually bring people together, and he hasn't been able to do so. He said he'd bring us hope and change. Instead he's divided the nation and tried to blame other people.

The real course for America is to have someone who's a leader, who can identify people in both parties who care more about the country than they care about getting reelected. There are Democrats like that. There are Republicans like that. I was the governor of a state that had a few Democrats. (Laughs.) People in this room know how many we had in Massachusetts.

MR. ROSE: So it's essential to deal with Democrats --

MR. ROMNEY: Yeah, you have to --

MR. ROSE: -- and to be prepared to compromise on the big issues of our time?

MR. ROMNEY: You have to stand by your principles. At the same time, you know that good Democrats and good Republicans who love the country first will be able to find common ground from time to time and recognize we can't keep on spending like we're spending.

We can't demand more from tax revenue from people, because that kills jobs and hurts working families. We have got to help the middle class in this country.

The only way that'll come together is if you have people on both sides of the aisle who will listen to a leader who has the experience of leading. And that's what America's looking for and desperately longing for.

MR. ROSE: And back to Governor Perry: this plan that you would like to lay out -- because Governor Romney has said you've had two months to produce a plan, an economic plan. He's had a 59-point plan. What's the plan? What will you say specifically?

GOV. PERRY: Well, clearly, opening up a lot of the areas of our domestic energy area; that's the real key. You've got an administration that, by and large, has either by intimidation or over-regulation, put our energy industry and the rest of the economy in jeopardy. And we've got to have a president who is willing to stand up and to clearly pull back those regulations that are strangling the American entrepreneurship that's out there.

And it doesn't make any difference whether it's "Obamacare," whether it's Dodd-Frank, or whether it's the tax burden, a president, particularly with the plan that I'm going to be laying out over the next three days -- and I'm not going to lay it out all for you tonight. You know, Mitt's had six years to be working on a plan; I've been in this for about eight weeks. But clearly, we're going to be focused on initially the energy industry in this country and making America again independent and clearly the place where domestic energy needs to be produced from.

MR. ROSE: Let me introduce my friend Karen. Karen?

KAREN TUMULTY: Congresswoman Bachmann, three years after the financial meltdown, Main Street continues to suffer. People have lost their jobs, they've lost their homes, they've lost their faith in the future.

But Wall Street is thriving. The banks not only got bailed out by the government: They made huge profits; they paid themselves huge bonuses. Do you think it's right that no Wall Street executives have gone to jail for the damage they did to the economy?

REPRESENTATIVE MICHELE BACHMANN (R-MN): I think if you look at the problem with the economic meltdown, you can trace it right back to the federal government, because it was the federal government that demanded that banks and mortgage companies lower platinum-level -- level -- lending standards to new lows. It was --

MS. TUMULTY: But the federal government had also deregulated them.

REP. BACHMANN: It was the federal government that pushed the subprime loans. It was the federal government that pushed the Community Reinvestment Act. It was Congressman Barney Frank and also Senator Chris Dodd that continued to push government-directed housing goals. They pushed the banks to meet these rules. And if banks failed to meet those rules, then the federal government said, we won't let you merge; we won't let you grow. There's a real problem: It began with the federal government, and it began with Freddie and -- Freddie and Fannie.

If you look at these secondary mortgage companies, which the federal government is essentially backing 100 percent, they put American mortgages in a very difficult place. We had artificially low interest rates. Freddie and Fannie were the center of the universe on the mortgage meltdown, and we had lending standards lowered for the first time in American history. The fault goes back to the federal government. And that's what's wrong with Dodd-Frank: Dodd-Frank institutionalized all of these problems that were put into effect by the federal government. That's what I introduced the bill to repeal Dodd-Frank. It's the "jobs and housing destruction act."

MS. TUMULTY: So Speaker Gingrich, it sounds like Congresswoman Bachmann does not believe that Wall Street is to blame for the financial mess. You've said that the current protests on Wall Street are, in your words, "the natural product of Obama's class warfare."

Does this mean that these people who are out there protesting on Wall Street, across the country, have no grievance?

MR. GINGRICH: No. I -- let me draw a distinction. I think there are -- virtually every American has a reason to be angry. I think virtually every American has a reason to be worried. I think the people who are protesting on Wall Street break into two groups: one is left-wing agitators who would be happy to show up next week on any other topic, and the other is sincere middle-class people who, frankly, are very close to the tea party people in actually caring. You can tell which group is which.

The people who are decent and responsible citizens pick up after themselves. The people who are just out there as activists trash the place and walk off and are proud of having trashed it. So let's draw that distinction.

If they want to really change things, the first person to fire is Bernanke, who is a disastrous chairman of the Federal Reserve. The second person to fire is Geithner. The fact is, in both the Bush and the Obama administrations, the fix has been in, and I think it's perfectly reasonable for people to be angry. But let's be clear who put the fix in. The fix was put in by the federal government. And if you want to put people in jail, I want to second what Michele said: You ought to start with Barney Frank and Chris Dodd. And let's look at the politicians who created the environment, the politicians who profited from the environment, and the politicians who put this country in trouble.

MR. ROSE: Clearly, you're not saying they should go to jail.

MR. GINGRICH: Well, in Chris Dodd's case, go back and look at the Countryside deals. In Barney Frank's case, go back and look at the lobbyists he was close to at -- at the -- at Freddie Mac. All I'm saying is, everybody --

MS. TUMULTY: So if you were in the White --

MR. GINGRICH: -- everybody -- everybody in the media who wants to go after the business community ought to start by going after the politicians who have been at the heart of the sickness which is weakening this country, and ought to start with Bernanke, who has still not been exposed for the hundreds of billions of dollars -- (applause) -- MS. TUMULTY: But --

MR. GINGRICH: I'm going to say one other thing. I'm going to repeat this: Bernanke has in secret spent hundreds of billions of dollars bailing out one group and not bailing out another group. I don't see anybody in the news media demanding the kind of transparency at the Fed that you would demand of every other aspect of the federal government.

And I think it is corrupt and it is wrong for one man to have that kind of secret power.

MS. TUMULTY: So, Congressman Paul, where do you come down this?

(Laughter, cross talk.)

REPRESENTATIVE RON PAUL (R-TX): The one thing -- one thing I might -- might say -- that we have made some inroads on the Federal Reserve. We passed a bill last year -- we got a partial, you know, audit of the Fed. We've learned a whole lot. They were dealing in \$15 trillion. Five trillion (dollars) went overseas to bail out foreign banks.

But you know what? The Congress did a lot. I've worked on it for a good many years. But Bloomberg helped and Fox helped. They had court cases, Freedom of Information Act, and there are some, even at this table, who didn't think auditing the Fed was such a good idea, that we could call up the Fed and ask him -- and it would tell us what to do. And I've been calling them up for 30 years and they never tell me.
(Laughter.)

But we're getting to the bottom of it. But if you want to understand why we have a problem, you have to understand the Fed, because the cause comes from the business cycle. We shouldn't be asking what to do exactly with the recession -- obviously we have to deal with that -- but you can't solve, you can't cure the disease if you don't know the cause of it. And the cause is the booms. When there are booms, and they're artificial, whether it's the CRA or whether it's the Fed, easy credit, when you have bubbles, whether it's the NASDAQ or whether it's the housing bubbles --

MR. ROSE: OK.

REP. PAUL: -- they burst. And when they do, you have to have corrections. And that's what we're dealing with. And we can do this by building coalitions --

MR. ROSE: Thank you.

REP. PAUL: -- and not sacrificing any principles.

MR. ROSE: Julianna. JULIANNA GOLDMAN: Thank you, Charlie.

Senator Santorum, I want to turn to jobs, because you've said that when you were growing up in a steel town in Pennsylvania, 21 percent of the country was involved in manufacturing. Now it's down to 9 percent. Can those jobs ever return? And what would you do to create jobs now?

RICK SANTORUM: Yeah, the jobs can come back if you create a climate for them to be profitable.

I -- I -- we have a lot of businesspeople, manufacturers in Pennsylvania. I don't know a single one who wanted to ship their jobs offshore, who didn't want them in their own community to be able to employ people and see the fruits of their labor being -- benefiting the community that they live in. What happened was we became uncompetitive.

So we need to be competitive. And that's why I proposed taking the corporate tax from manufacturers and processors, taking it from 35 percent and eliminating it, zero percent tax. Allow this to be the -- the -- the manufacturing capital of the world again. Take that money -- \$1.2 trillion that over -- that's overseas from manufacturers who did send their jobs overseas -- bring it back, zero percent tax rate if you invest it in plant and equipment in this country.

Repeal every regulation the Obama administration has put in place that's over \$100 million. Repeal them all. You may have to replace a few, but let's repeal them all because they are all antagonistic to businesses, particularly in the manufacturing sector.

And do as Governor Perry suggested. We need a bold energy plan -- I've put one out there -- to drill. Pennsylvania -- I don't want to brag, Governor, but Pennsylvania is the gas capital of the world right now, not Texas, because --

MR. ROSE: All right.

MS. GOLDMAN: But --

MR. SANTORUM: -- we are -- we're doing a great job. And energy prices and gas went down by 75 percent --

MS. GOLDMAN: But let me just follow up because we are in a crisis. So what would you do right now to create jobs?

MR. SANTORUM: The -- the cool thing about my plan as opposed to Herman's plans and some of the other plans out here, it'll pass tomorrow. It would pass tomorrow. Why? Because industrial-state Democrats want those jobs and they know if we put a pro-manufacturing- jobs plan on the table it will pass overnight. We'll get votes from Indiana and Pennsylvania and Ohio and Michigan, all of those states.

So it's not just proposing a plan that will get -- get things started that The Wall Street Journal will smile at -- excuse me, The Washington Post -- or -- but it's a plan that can actually pass and get things done and bring people together. That's why I put it on the table.

MS. GOLDMAN: Thank you.

I want to follow up now to Governor Huntsman. From the Erie Canal to the Internet, it's what -- innovation is what's always fueled economic recovery. So shouldn't the focus now be on trying to create the innovative jobs of tomorrow? And what do you think those are?

JON HUNTSMAN: We need to regain our industrial base. I would, first and foremost, disagree with Rick on one measure. And that is, Pennsylvania is not the gas capital of the country; Washington, D.C., is the gas capital of the country. (Laughter.)

GOV. PERRY: (That's OK -- that's OK ?).

MR. HUNTSMAN: There are two things that critically need to be done for us to stay ahead in this highly competitive world, and when we lose one or both of them, we lose out to the Chinese and the Indians. One is maintaining a strong commitment to innovation, entrepreneurship and freedom in the marketplace. We have the sense of innovation that no country has been able to replicate. Some have tried, and some will continue to try, but nobody does it like we do here. And that gives rise to high technology, to regular manufacturing jobs cross the board. It makes this economy hum when it's working well.

The second part of this: You need a marketplace, like Rick described a moment ago, in which you can translate those innovations into products. We are losing our ability to maintain a competitive marketplace today.

MR. ROSE: All right.

MR. HUNTSMAN: That's taxes, that's regulation. We've lost it to others, so right now we're not able to translate innovation to the -- we've got to regain the magic of a strong marketplace, so that we have the complete package.

MR. ROSE: Karen.

MS. TUMULTY: Congressman Gingrich -- Speaker Gingrich, Medicare --

NEWT GINGRICH: Newt -- (off mic).

MS. TUMULTY: (Laughs.) Medicare is going broke. Consider the fact that half of all Medicare spending is done in the last two years of life. And research that has done -- been done right here at Dartmouth by the Dartmouth Atlas would suggest that much of this money is going to treatments and interventions that do nothing to prolong life, or to improve it. In fact, some of it does the opposite. Do you

consider this wasteful spending? And if so, should the government do anything about it? MR. GINGRICH: You know, I'm really glad you asked that, because I was just swapping emails today with Andy von Eschenbach, who was the head of the National Cancer Institute, the head of the Food and Drug Administration. But before that, he was the provost at MD Anderson, the largest cancer treatment center in the world.

And he wrote me to point out that the most recent U.S. government intervention on whether or not to have prostate testing is basically going to kill people. So if you ask me, do I want some Washington bureaucrat to create a class action decision which affects every American's last two years of life, not ever. I think it is a disaster. I think, candidly, Governor Palin got attacked unfairly for describing what would -- would, in fact, be death panels.

And -- and -- what von Eschenbach will tell you if you call him is: The decision to suggest that we not test men for -- with PSA will mean that a number of people who do not have the -- who are susceptible to a very rapid prostate cancer will die unnecessarily. And there was not a single urologist -- not a single specialist on the board that looked at it. So I'm -- I'm opposed to class intervention for these things.

MS. TUMULTY: Well, Congresswoman Bachmann, of course no one wants the government to come between a doctor and a patient, but do you think that Americans are getting the most for their money in Medicare spending? And how can we make sure that the money that is being spent is being spent on the treatments and the -- and the preventive treatments that do the most?

REP. BACHMANN: We have a big problem today when it comes to Medicare, because we know that nine years from now, the Medicare hospital Part B Trust Fund is going to be dead flat broke. So we've got to deal with this issue.

I was in the White House with President Obama this summer. We asked him not once but three times: President Obama, what is your plan to save Medicare? And the president mumbled and he didn't give an answer the first time, the second time. And the third time the president said something very interesting, Karen.

He said "Obamacare." I think that senior citizens across the country have no idea that President Obama plans for Medicare to collapse, and instead everyone will be pushed into "Obamacare."

And just like Newt Gingrich said, the way that "Obamacare" runs, there's a board called IPAB. It's made up of 15 political appointees. These 15 political appointees will make all the major health care

decisions for over 300 million Americans. I don't want 15 political appointees to make a health care decision for a beautiful, fragile, 85-year-old woman who should be making her own decision.

MR. ROSE: We'll come back to Medicare as well and medical issues and the cost of medical in the United States.

I want to talk about advisers and appointees. Tell me, Governor Huntsman, whose advice do you seek on economic issues? And who -- what's the profile of the kind of person you'd like to have advising you in your White House?

MR. HUNTSMAN: I'd like the profile of my own father, who was a great entrepreneur. And he started with nothing, and he built a great business, and my brother now runs that business.

People who have been out in the world, who have actually had their hands on products and manufacturing and know something about how to build something from the ground up. That's what this country has always done, is what we need to continue to do.

But in order to have the right policies in place. And some I put forward as governor of the great state of Utah. Tax reform: I created a flat tax in the state of Utah. It took that state to the number-one position in terms of job creation. Regulatory reform and energy independence.

I want the kind of people who understand what makes an economy work.

But let's be real about what it takes to get into federal government service these days. Who on Earth from the private sector is ever going to want to give up their privacy and enter government service with the background checks, the financial disclosures, and everything else that serve as tremendous disincentives for good people to get into government. So what we have today, Charlie, we've got a professional governing class of people on one end, and then you've got private- sector -- (inaudible) -- on the other --

MR. ROSE: And so what would you do about that to change that, to attract those --

MR. HUNTSMAN: We need --

MR. ROSE: -- kind of people so that they would be willing to serve -- a cross section of people from every --

MR. HUNTSMAN: Let's get back to --

MR. ROSE: (Inaudible.)

MR. HUNTSMAN: -- what we did a generation or two ago when we were more open in terms of accommodating people from all backgrounds who wanted to take a little bit of their life and serve in government, and then leave and go back to what it is they did best, whether on the farm or whether insurance or whether business or whether academia.

MR. ROSE: When you mentioned the flat tax, does that mean that you look with some favor upon 9-9-9 that Herman Cain mentioned at the beginning of this conversation?

MR. HUNTSMAN: I think it's a catchy phrase. In fact, I thought it was a price of a pizza when I first heard about it, Herman. (Laughter, applause).

MR. ROSE (?): Price of a pizza.

MR. HUNTSMAN: Here's -- here's -- here's what -- here's what we need: We need something that's doable, doable, doable. And what I have put forward is a tax program that is doable. It actually wipes clean all of the loopholes and the deductions. This is right out of what the Simpson-Bowles commission recommended -- a bipartisan group of people that took a thoughtful approach to tax for corporate and individual -- individual, and on the corporate side, phase out all of the corporate welfare, all of the subsidies because we can't afford it any longer; in a revenue-neutral fashion, buy down the rate from 35 percent to 25 percent, leveling the playing field for businesses big and small, allowing us to be a whole lot more competitive in the second decade of the 21st century. MR. ROSE: Julianna.

MS. GOLDMAN: Thank you. We will be coming back to 9-9-9, but first --

MR. CAIN: (Now ?), wait, wait --

MS. GOLDMAN: Well, but -- but --

MR. CAIN: He mentioned me --

MR. ROSE: Give him 30 seconds.

MR. CAIN: And he -- (inaudible) -- me, and you didn't give me an opportunity to respond.

MR. ROSE: And you have that opportunity (now ?).

MR. CAIN: Thank you very much. (Laughter.) 9-9-9 will pass, and it is not the price of pizza because, it has been well-studied and well-developed. It starts with, unlike your proposals, throwing out the current tax code. Continuing to pivot off the current tax code is not going to boost this economy.

This is why we developed 9-9-9 -- 9 percent corporate business flat tax, 9 percent personal income flat tax, and a 9 percent national sales tax. And it will pass, Senator, because the American people want it to pass.

MR. ROSE: This is beginning to sound more like my table. Julianna -- I mean, Karen.

MS. TUMULTY: Mr. Cain, who do you turn to for political advice and for economic advice?

MR. CAIN: My advisers come from the American people. Now, I will have some experts. One of my experts that helped me to develop this is a gentleman by the name of Rich Lowry out of Cleveland, Ohio. He is an economist, and he has worked in the business of wealth creation most of his career. I also have a number of other well-recognized economists that helped me to develop this 9-9-9 plan. It didn't come off a pizza box, no. It was well studied and well developed because it will replace the corporate income tax, the personal income tax, the capital gains tax, the death tax, and most importantly the payroll tax.

MS. TUMULTY: So who are some of these economists?

MR. CAIN: Rich Lowry out of Cleveland, Texas is one of the economists that I have used. He's been my lead economists on helping to develop this.

MR. ROSE: Julianna.

MS. GOLDMAN: Thank you. Governor Romney, it's 2013 and the European debt crisis has worsened, countries are defaulting, Europe's largest banks are on the verge of bankruptcy, contagion has spread to the U.S., and the global financial system is on the brink. What would you do differently than what President Bush, Henry Paulson and Ben Bernanke did in 2008?

MR. ROMNEY: Well, you're -- you're talking about a scenario that's obviously very difficult to imagine, and -- and -- and --

MS. GOLDMAN: But it's not a hypothetical because more than half the --

MR. ROMNEY: It -- it is -- I'm -- I'm afraid it is a hypothetical. MS. GOLDMAN: It's not -- Governor, it's not a --

MR. ROMNEY: Do you want to explain why it's not a hypothetical?

MS. GOLDMAN: Yes.

MR. ROMNEY: OK.

MS. GOLDMAN: Because more than half the country believes that a financial meltdown is likely in the next several years, and the U.S. banks have at least \$700 billion in exposure to Europe. So it's a very real threat, and voters want to know what you would do differently.

MR. ROMNEY: There -- it's still a hypothetical as to what's going to precisely happen in the future.

I'm not very good at being omniscient, but I can tell you this: that I'm not going to have to call up Timothy Geithner and say how does the economy work, because I've spent my life in the economy. I spent my entire career working in the private sector, starting businesses, helping turn around businesses, sometimes successfully and sometimes not. And I know how to make tough decisions, and to gather the input of people from around the country to help make the important decisions that have to be made.

Clearly if you think the entire financial system is going to collapse, you take action to keep that from happening. In the case of Europe right now, they're looking at what's happening with Greece. Are they going to default on their debt? Are they not? That's a decision which I would like to have input on, if I were president of the United States, and try and prevent the kind of contagion that would affect the U.S. banking system and put us at risk.

But I can tell you this. I'm not interested in bailing out individual institutions that have wealthy people that want to make sure that their shares are worth something. I am interested in making sure that we preserve our financial system, our currency, the banks across the entire country, and I will always put the interest of the American people ahead of the interests of any institution.

MS. GOLDMAN: But -- so would you -- so would you or would you not be open to another Wall Street bailout?

MR. ROMNEY: Well, no one likes the idea of a Wall Street bailout. I certainly don't. Asset -- asset --

MS. GOLDMAN: But you said in 2008 that it prevented the collapse of the financial --

MR. ROMNEY: There's no question but that the action that President Bush and that Secretary Paulson took was designed to keep not just a collapse of individual banking institutions but to keep the entire currency of the country worth something and to keep all the banks from closing and to make sure we didn't all lose our jobs. My -- my experience tells me that we were on the -- on the precipice and we could have had a complete meltdown of our entire financial system, wiping out all the savings of the American people. So action had to be taken.

Was it perfect? No. Was it well-implemented? No, not particularly. Were there some institutions that should not have been bailed out? Absolutely. Should they have used the funds to bail out General Motors

and Chrysler? No, that was the wrong source for that funding.

But this -- but this approach of saying, look, we're going to have to preserve our currency and maintain America and our financial system is -- is essential.

MR. ROSE: So you agree -- you agree with Speaker Gingrich about Ben Bernanke, the chairman of the Fed?

MR. ROMNEY: I wouldn't keep Ben Bernanke in office. I'd choose someone of my -- of my own -- (inaudible).

MR. ROSE: And who might that be?

MR. ROMNEY: Well, I haven't chosen that person. I haven't even chosen a vice president. I'm not sure I'm the nominee yet. (Laughter.)

MR. ROSE: Well, we'd like to -- we'd like to have -- we would like to have -- nor has anyone else, but we'd like to have an idea of the kind of people, you know, that you would have confidence in, in playing this very important role -- although, Congressman Paul may differ about how important it is.

MR. ROMNEY: Well, I wish we could find Milton Friedman again. Although what Milton said to us was, he said, you know, if you took all the economists in America, and you laid them end to end, it would be a good thing. And I -- (laughter) -- and I have more respect for economists than that. The people who help guide my economic policy are Greg Mankiw at Harvard --

MR. ROSE: Right.

MR. ROMNEY: -- and Glenn Hutchins at Columbia. They were both former chairs of the Council of Economic Advisers. I don't always agree with them. I also talk to a number of business leaders. I talk to people who are currently in the economy, in the financial sector, and in the manufacturing sector. And on the basis of these various viewpoints I make my decisions. And I believe that drawing on the best minds in this country, including economists, is something that's essential to make sure that we preserve our financial system.

Right now America's in crisis. We don't need to think about a hypothetical of what happens if Europe explodes and pulls us under. Although, if that does happen, you want to have someone who's smart, who has experience, who knows how the financial services sector works, who knows how to protect American jobs -- and I do; I've done it.

MR. ROSE: And as far as you're concerned, there's no institution -- no financial institution that's too big to fail. MR. ROMNEY: Well, no, you don't -- you don't -- you don't want to bail out anybody. The idea of trying to bail out an institution to protect its shareholders or to protect a certain interest group: that's a terrible idea, and that shouldn't happen. You do want to make sure we don't lose the country, and we don't lose our financial system, and we don't lose American jobs, and that all the banks don't go under. So you have to take action very carefully to make sure that you preserve our currency and preserve our financial system.

But bailouts of individual institutions? No one has interest in that, I don't think.

MS. GOLDMAN: Mr. Cain, back in 2008, you wrote that the Wall Street bailout was a win-win for the taxpayer. You just heard Governor Romney. Do you agree?

MR. CAIN: Conceptually, I made that statement based upon the concept, but I happen to agree with Governor Romney. The way it was administered is where it got off track. They were discretionary in which institutions they were going to save, rather than apply it equitably, which is what most of us thought was going to be done. The implementation of it is where they got off track. I didn't agree with it. I don't think Governor Romney agreed with it, so did a lot of us. The implementation was at fault.

MR. ROSE: Housing is considered one of the real problems in terms of our economy, and getting housing starts up --

MR. GINGRICH: Can I say one thing before we go to housing?

MR. ROSE: Yes.

MR. GINGRICH: Because I think this is really important. There's a real possibility that you can't have the euro and the Greek economy in the same system. There's a possibility we could have a meltdown in the

next year. The thing that is most obvious, looking back, is that Paulson and Bernanke and Geithner didn't have a clue -- not because they're not smart, but because they were operating in a world that has suddenly changed so radically, they didn't know.

MR. ROSE: All right.

MR. GINGRICH: One of the reasons I've said that the Congress should insist that every decision document from 2008, 2009 and 2010 at the Fed be released is we are not any better prepared today for a crisis of that scale, because the people who were in that crisis and were wrong are still in charge. And I think we need to learn what did they do right --

MR. ROSE: All right.

MR. GINGRICH: -- and what did they do learn -- wrong -- precisely for the reason you raised about 2013. MR. ROSE: Let me go to housing. What would you do -- would you get the federal government out of housing? Yes?

REP. PAUL: Absolutely. I mean, there's no need to. Look at the --

MR. ROSE: No Freddie -- no Freddie Mac, no Fannie Mae, nothing?

REP. PAUL: No, that's where the distortions come. That's where the moral hazard comes from. That's where the mal-investment -- overbilled. It was predictable.

You talked about what economists we should look to, and unfortunately we've been living with Keynesian economics for many, many decades, and everybody who was right about predicting the bubbles were Austrian economists. They said they were coming. And yet they're also saying -- and I agree with them -- that everything that we're doing right now is wrong.

So what we did with the housing bubble, yes, we had too many houses. It was glaring in our face. The bubble was doomed to burst, and it came because of Fannie Mae, Freddie Mac, easy credit, and also the Community Reinvestment Act.

So who -- who got into trouble? The people who did the speculating and the Wall Street, the derivatives market. They got the bailout. They got privileges. So what happened to the middle class? They lost their jobs. They lost their houses. This whole system is all messed up.

And you're -- what I hear here is just tinkering with the current system and not looking at something new and different, and it's a free-market economy without a Federal Reserve System, with sound money. If you don't have that, you're going to continue with a bubble.

And this propping up this debt and keeping the correction -- you need the correction. You need to get rid of the malinvestment and the debt. The debt is the burden on the economy.

MR. ROSE: Time.

All right, we'll be back. Take a break and be right back. Stay with us from Dartmouth in Hanover, New Hampshire.

(Announcements.)

MR. ROSE: In order to take the pulse of America, we have partnered with LinkedIn -- LinkedIn -- and they have some 120 billion (sic) networked professionals, and we've asked them to take part in this by giving us some polling that they have done. But before I bring some of those results in, I want to take a look at a series of clips we'll show you in this segment, beginning with this one of a former president.

(Begin videotaped segment.)

FORMER PRESIDENT RONALD REAGAN: The single-most important question facing us tonight is, do we reduce deficits and interest rates by raising revenue from those who are not now paying their fair share, or do we accept bigger budget deficits, higher interest rates and higher unemployment simply because we disagree on certain features of a legislative package which offers hope for millions of Americans at home, on the farm and in the workplace?

(End videotaped segment.)

MR. ROSE: Let me go to the governor of Texas. Do you agree with the former president?

GOV. PERRY: Well, I think we're certainly talking about different times, because what I heard him say there, that he was willing to trade tax increases for reductions, and I don't think he ever saw those reductions, he just saw the tax increase. As a matter of fact, in his diary he made that statement that he's still looking around for those -- those reductions.

So I mean, from the standpoint -- that's one of the problems that we got in Washington, D.C. One of the reasons that I think Americans are so untrustworthy of what's going on in Washington is because they never see a cut in spending. They always hear the -- the siren song of, you know, if you'll allow us to raise taxes, then we'll make these reductions over here, when the fact of the matter is the issue is we need to have a balanced budget amendment to the United States Constitution. (Applause.) And the next president of the United States needs to spend his time passing a balanced budget amendment to the United States Constitution.

MR. ROSE: But I want to stay with this idea of spending cuts and revenue increases and go back to you, Governor Romney. This is where it is, it seems in Washington right now, not only the paralysis, but also you got the supercommittees. And if in fact they can't find an agreement, you're going to have a trigger with automatic cuts, including defense. So doesn't that demand some kind of compromise, as Reagan suggested?

MR. ROMNEY: Well, I -- I don't know what particular compromises he was referring to. We can take a look at that.

But I can tell you this, if you go back a few years before that clip and go to JFK's time, the government at all levels -- federal, state and local -- was consuming about 27 percent of the U.S. economy. Today it consumes about 37 percent of the U.S. economy. It's on track to get to 40 percent. We cease at some point to be a free economy. And the idea of saying, we just want a little more, just give us some more tax revenue, we need that, that is the answer for America.

The answer is to cut federal spending. The answer is to cap how much the federal government can spend as a percentage of our economy and have a balanced budget amendment.

And the second part of the answer is to get our economy to grow, because the idea of just cutting and

cutting and taxing more -- I understand mathematically those things work, but nothing works as well as getting the economy going.

MS. TUMULTY: But can we --

MR. ROMNEY: Get Americans back to work. Get them paying taxes. Get -- get corporations growing in America, investing in America. Bring dollars back, as Rick said, repatriation dollars -- bring a trillion-three (dollars) back from overseas. Invest in the United States. Get this economy going. And I'll tell you, these kinds of problems will disappear.

MS. TUMULTY: But could we get back to the actual choice that is likely to confront Congress at the end of the year, which is some mix of revenues and cuts or these draconian automatic spending cuts that would include defense. Which of those two, if that is the choice, would you prefer?

MR. ROMNEY: Well, my choice is not to cut defense. I think it's a terrible idea to cut defense. I think it's a terrible idea to raise taxes. Particularly at a time when the economy's struggling, the idea of raising taxes, taking more money away from the American people, so government can spend it, and can spend it -- right now the president has a jobs bill.

MS. TUMULTY: So this is --

MR. ROMNEY: How'd his last jobs bill work out for us?

MS. TUMULTY: But this is the automatic cut --

MR. ROMNEY: Not -- not so well.

MS. TUMULTY: -- (inaudible)?

MR. ROMNEY: Yeah, the -- no, I do not want the automatic cuts. I want to see that supercommittee take responsibility for getting the economy going again by reining in the scale of the federal government --
MR. ROSE: OK.

MR. ROMNEY: -- and saying we're going to pull back on some of the programs we have --

MR. ROSE: All right.

MR. ROMNEY: -- and reform our entitlements, so they're sustainable.

The American people want to see growth and jobs, and they believe that the right way to do it is by cutting back on the scale of government. And they're right.

MR. ROSE: Without any increase in revenue? (Applause.)

(Cross talk.)

MR. GINGRICH: I just want to say one -- I want to say one thing about the entire way Washington works, which was just posed in that question. First of all, the Congress couldn't figure out how to get the debt ceiling done with a president who shows zero leadership, so they adopt a truly stupid bill, OK?

And the bill basically says: We're either going to shoot ourselves in the head, or cut off our right leg. And we'll come in and -- around Thanksgiving, and we'll show you how we're going to cut off the right leg. And the alternative will be shooting ourselves in the head.

Let me just say bluntly, all of the spending cuts that are built into the debt ceiling bill -- all of them are acts of Congress. They can all be repealed at any moment. It is nonsense to say we're going to disarm the United States unilaterally because we're too stupid to balance the budget any other way. (Applause.)

MR. ROSE: All right.

Congressman Bachmann.

REP. BACHMANN: Charlie, last summer I was a leading voice in the wilderness of Washington, and a lone voice as a matter of fact, saying: Do not increase the debt ceiling. By that, what I was saying is, let's not give Barack Obama another \$2.4 trillion blank check to spend.

Think of what this means. Our government right now -- this is significant. We are spending 40 percent more than what we take in. We all paid a lot of taxes this year. We paid \$2.2 trillion in taxes. That's a lot of money from all the American people. The American government spent a hundred percent of that 2.2 trillion (dollars). But the travesty is they spent 1.5 trillion (dollars) more than that. That's the problem. Every year, we are spending about 40 percent more than what we take in.

Our answer has to be that we cut back on the spending so we get to balance. We can't do this because all --

MR. ROSE: Will cutting back on the spending --

REP. BACHMANN: -- all around us are young people that are going to be paying for this burden. And their tax rates won't be our tax rates. Their tax rates could come at some point, their overall effective burden -- I'm a federal tax lawyer; that's what I do for a living. And my background is in economics. Their tax rates some day in their peak earning years, Charlie, could be as much as 75 percent. Who's going to get out of bed in the morning to go to work, if they're paying 75 percent tax rates? We've got to get our spending house in order and cut back on spending.

MR. ROSE: Cutting back on spending, in your judgment, will do it?

REP. BACHMANN: That's one piece of the answer. That's not the whole answer --

MR. ROSE: Yeah --

REP. BACHMANN: -- but we have to cut taxes --

MR. ROSE: I want you to take a look -- we'll come to all of you, but let me take a look at another clip; this one you will recognize as well. Here it is.

(Begin videotaped segment.)

MR. CAIN: It's called the 9-9-9 plan. (Applause.) It imposes a 9 percent business flat tax, a 9 percent personal flat tax and a 9 percent national sales tax.

(End videotaped segment.)

MR. ROSE: Go ahead, Julianna.

MS. GOLDMAN: Thanks. I said we would get back to 9-9-9. (Laughter.)

Mr. Cain, you say that your plan is revenue neutral. And last year, the U.S. collected \$2.2 trillion in tax revenue. But Bloomberg Government has run the numbers, and your plan would have raised no more than \$2 trillion. And even with that shortfall, you'd still be slapping a 9 percent sales tax on food and medicine.

MR. CAIN: The problem with that analysis is that it is incorrect. (Laughter, applause.)

MS. GOLDMAN: Well -- well --

MR. CAIN: The -- the reason -- the reason it's incorrect is because they start with assumptions that we don't make. Remember, 9-9-9 plan throws out the current tax code. And it starts with three simple economic driving principles: production drives the economy; risk-taking drives growth; and we need sound money -- measurements must be dependable.

Now, what 9-9-9 does, it expands the base. When you expand the base, we can arrive at the lowest possible rate, which is 9-9-9. The difference between the 9-9-9 plan and the other plans that are being proposed is that they pivot off of the existing tax code.

We've had an outside firm -- independent firm --

MR. ROSE: All right.

MR. CAIN: -- dynamically score it, and so our numbers will make it revenue neutral.

MR. ROSE: All right. Karen -- go ahead. I'm sorry, go ahead.

MS. GOLDMAN: But then explain why, under your plan, all Americans should be paying more for milk, for a loaf of bread, and beer?

MR. ROSE: And pizza.

MS. GOLDMAN: Yeah, and pizza. (Laughs.)

MR. CAIN: I don't buy beer. (Laughter.)

You have to start with the biggest tax cut a lot of Americans pay, which is the payroll tax, 15.3 percent. That goes to 9 percent. That's a 6 percentage point difference, and the prices will not go up. So they've got a 6 percentage point difference to apply to the national sales tax piece of that, and in doing so they have the flexibility to decide on how much they want to spend it on new goods, how much they want to spend it on used goods --

MR. ROSE: All right.

MR. CAIN: -- because there is no tax on used goods.

MS. GOLDMAN: But Congresswoman Bachmann, you're a former IRS lawyer. Do you agree?

REP. BACHMANN: I would have to say the 9-9-9 plan isn't a jobs plan, it is a tax plan. And I would

say that from my experience being in Congress but also as a federal tax lawyer, when you -- the last thing you would do is give Congress another pipeline of a revenue stream, and this gives Congress a pipeline in a sales tax. A sales tax can also lead to a value added tax.

The United States Congress put into place the Spanish-American War tax in -- in 1898. We only partially repealed that in 2006. So once you get a new revenue stream, you're never going to get rid of it. And one thing I would say is, when you take the 9-9-9 plan and you turn it upside down, I think the devil's in the details. (Laughter.)

MR. ROSE: All right. I have to --

MR. CAIN: You've got to let me respond.

MR. ROSE: We've given you several chances to respond. I'll come back. We will continue to talk about taxes and spending.

We also know here that there has been a paradigm shift in the world economic order.

We know about China and we know about India. Here is our next clip, and we will respond from that. Here it is:

(Video begins.)

MR. ROMNEY: And I will label China as it is, a currency manipulator, and I will go after them for stealing our intellectual property, and they will recognize that if they cheat, there is a price to pay. I certainly don't want a trade war with anybody, and we're not going to have a trade war, but we can't have a trade surrender either.

(Video ends.)

MR. ROSE: Karen.

MS. TUMULTY: Governor Huntsman, you were also ambassador to China, and you say that this would risk a trade war. But if China is indeed keeping its currency low, that means that everything they sell in this country is artificially cheap and everything that our companies try to sell in China is artificially expensive. So what do you say to people who ask, aren't we already in a trade war with China?

MR. HUNTSMAN: Well, first of all, I don't subscribe to the Don Trump school or the Mitt Romney school of international trade. I don't want to find ourselves in a trade war.

With respect to China, if you start slapping penalties on them based on countervailing duties, you're going to get the same thing in return because what they're going to say, because of quantitative easing part one and part two, you're doing a similar thing to your currency. And then you're going to find yourself in a trade war very, very quickly.

And what does that do? That disadvantages our small businesses. It disadvantages our exporters. It disadvantages our agricultural producers. So I say, for the first and the second-largest economies in the world, we have no choice; we have to find common ground. We have to of course use our trade laws, and use them very, very aggressively.

But at the end of the day, we've got to find more market-opening measures. We've got to get more governors from this country together with governors from provinces of China, mayors together with mayors, and exploit the opportunities that exist for exporters. That's a job-creator in this country. It's a huge job creator. And we have to get used to the fact that as far as the eye can see into the 21st century, it's going to be the United States and China on the world stage.

MS. TUMULTY: You know, Governor Romney, this issue does carry a lot of resonance, especially in states like New Hampshire which, as you probably know, has lost a greater percentage of its manufacturing jobs to China than any other state. But voters have heard candidates talk tough on China before -- George W. Bush did it, Barack Obama did it -- only to see that, once elected, the president takes a much more cautious approach, because of the complexity of the relationship and the fact that this is our biggest creditor. Why should voters believe that you would be any different?

MR. ROMNEY: I'm afraid that people who've looked at this in the past have been played like a fiddle by the Chinese. And the Chinese are smiling all the way to the bank, taking our currency and taking our jobs and taking a lot of our future. And I'm not willing to let that happen.

I'm in this race to try and get America to make sure we're strong again, we're creating jobs, we're the best place in the world to be middle class again. And for that to happen, we've got to call cheating for what it is.

MS. TUMULTY: But is --

MR. ROMNEY: And you can't -- you can't -- you know, people say, well, we might have a trade war with China. Well, now, think about that. We buy this much stuff from China; they buy that much stuff from us. You think they want to have a trade war? I mean, this is -- this is a time when we're being hollowed out by China that is artificially holding down their prices, as you just said a moment ago. And that's having a massive impact on jobs here. It is the wrong course for us, when people have pursued unfair trade practices. You have to have a president that will take action.

And on day one -- I've indicated, day one -- I will issue an executive order identifying China as a currency manipulator. We'll bring an action against them in front of the WTO for manipulating their currency, and we will go after them. If you're not willing to stand up to China, you'll get run over by China. And that's what's happened for 20 years. (Applause.)

MS. TUMULTY: But as recently as --

GOV. PERRY: But we're -- MR. ROSE: Let me go to Governor Perry and then governor -- then Governor Huntsman.

Governor Perry.

GOV. PERRY: We're missing this so much. What we need to be focused on in this country today is not whether or not we're going to have this policy or that policy. What we need to be focused on is how we get America working again. That's where we need to be focused.

And let me tell you, we're sitting on this absolute treasure trove of -- of energy in this country. And I don't need 9-9-9, we don't need any plan to pass Congress. We need to get a president of the United States that is committed to passing the types of -- of regulations, pulling the regulations back, freeing this country to go develop the energy industry that we have in this country.

I can promise you that we do that and we'll create an environment in this country where the manufacturing will come back to this country. We did it in Texas. We brought CHI Manufacturing, that had business in China, back to the state of Texas. You free up this country's entrepreneurs where they know that they can risk their capital and have a chance to have a return on investment and all of this conversation that we're having today becomes substantially less impactful.

MR. ROSE: All right. I want to come back to these issues, but let me introduce -- speaking of CEOs and business -- this is a New Hampshire native. His name is David Cote. He is chairman and CEO of Honeywell, and he is a former member of the Simpson-Bowles commission. Here he is.

DAVID COTE (chairman and CEO, Honeywell): (From videotape.) Twenty years ago there were a billion people actively participating in the global economy. Today there are more than 4 billion active participants in the global economy, with China, India, former CIS states and other emerging economies now in the game. While that is a good and peaceful phenomenon, it also means we need to compete more strongly than we did in the past. We need an American competitiveness agenda. We need to inspire that American competitive spirit that has served us so well for over 200 years.

I would like to ask, what would be on your American competitiveness agenda? And with one last small request. My guess is, all of us are ready to accept that we're a great country and a great people, so if your response could focus on specifics, it would be much appreciated. Thank you.

MR. ROSE: Senator Santorum, we talked about jobs in Pennsylvania. A competitive agenda of yours would be what?

MR. SANTORUM: Well, I already put forward a plan. You know, Mitt, I don't want to go to a trade war. I want to beat China. I want to go war with China and -- and make America the most attractive place in the world to do business, and we need to do that with the agenda that I outlined, which, unlike Herman's plan, which could not pass, because no -- how many people here are for a sales tax in New Hampshire? Raise your hand. There you go, Herman. That's how many votes you'll get in New Hampshire.

MR. ROSE: Yeah.

MR. SANTORUM: You know, we're not going to -- we're not going to give the -- we're not going to give the federal government, Nancy Pelosi, a new pipeline, a 9 percent sales tax, for consumers to get hammered by the federal government. How many people believe that we'll keep the income tax at 9 percent? Anybody? There. There's -- that's why people won't trust --

MR. ROSE: All right. So if you keep --

MR. SANTORUM: -- giving people -- (inaudible) -- if you if you give us a plan --

MR. ROSE: -- if you keep mentioning 9-9-9 and Herman Cain, I'm going to have to go back to him every other question.

(Cross talk, laughter.)

MR. CAIN: That's right. (Applause.)

MR. SANTORUM: Charlie, whoa, whoa. I'm not done yet.

MR. CAIN: Thank you.

MR. ROSE: (Chuckles.)

MR. SANTORUM: I'm not done yet. I've -- I've only been able to answer one question, unlike everybody else here, so let let me just finish what I'm saying.

MR. ROSE: Right.

MR. SANTORUM: We need to repeal "Obamacare." That's the first thing we need to do. We want to create jobs. I went to Osippi (ph) today and I talked to a small-business man there, and he said: I will not hire anybody, I will not do -- I will not make a move until I find out what's going to happen with this health care bill and how it's going to crush me and -- and -- and so repealing "Obamacare" -- and we can do it, not by waivers. That's the wrong idea, Mitt. And you -- reason it's the wrong idea -- because you get a waiver -- California going to waive that? No. New York going to waive it? No. All these states -- many of them, liberal states -- are going to continue on, and then states like New Hampshire that will waive it will end up subsidizing California.

MR. ROSE: All right.

MR. SANTORUM: We need to repeal it -- let me finish.

MR. ROSE: Yes, you do, but you --

MR. SANTORUM: We need to repeal it --

MR. ROSE: All right, but their time --

MR. SANTORUM: I know. Well, I'm --

MR. ROSE: Time. You see the red light. Time!

MR. SANTORUM: -- (spending up the ?) time. We need to repeal it --

MR. ROSE: All right.

MR. SANTORUM: -- by doing it through a reconciliation process, and since I have the experience and know how to do that, we'll take care of and get it rid of it the first --

MR. ROSE: I've got to go to the break and I'm -- but I'm -- both -- give both Herman Cain and Governor Romney a chance to make their point, because they were both mentioned -- first Cain, then Romney, then break.

MR. CAIN: Therein lies the difference between me, the nonpolitician, and all of the politicians. They want to pass what they think they can get passed, rather than what we need, which is a bold solution.

9-9-9 is bold, and the American people want a bold solution, not just what's going to kick the can down the table -- down the road.

MR. ROSE: Governor Romney. (Applause.)

MR. ROMNEY: Rick, you're absolutely right. On day one, granting a waiver for -- to all 50 states doesn't stop in its tracks entirely "Obamacare." That's why I also say we have to repeal "Obamacare," and I will do that on day two with a reconciliation bill, because, as you know, it was passed by reconciliation, 51 votes. We can get rid of it with 51 votes. We have to get rid of "Obamacare" and return to the states the responsibility --

MR. : (Inaudible.)

MR. ROMNEY: No, not if you get rid of it. And by the way, the Supreme Court may get rid of it.

MR. : (Inaudible.)

MR. ROMNEY: Let me finish. Let me finish.

MR. ROSE: OK. Let him finish, then we'll go to Huntsman, then we go to break. And then when we come back, each of you can question each other. (Laughter, applause.)

MR. ROMNEY: All right. (That's a good deal ?).

And let me -- let me just say this, which is, we all agree about repeal and replace. And I'm proud of the fact that I put together a plan that says what I'm going to replace it with. And I think it's incumbent on everybody around this table to put together a plan that says, this is what I'll replace it with, because the American people are not satisfied with the status quo. They want us to solve the problem of health care, to get it to work like a market, and that's what has to happen.

MR. ROSE: All right. Government Huntsman, then we go.

MR. HUNTSMAN: It's disingenuous to -- to just say that you -- you can can waive it all the way. The mandate will be in place. The IRS is already planning on 19,500 new employees to administer that mandate. That will stay, and that's the ruinous part of "Obamacare." And that -- Mitt, your plan is not going to do anything. MR. ROMNEY: (Inaudible) -- a way to repeal it. Did you miss that?

MR. HUNTSMAN: (Inaudible.) It doesn't -- it doesn't repeal the mandate.

(Cross talk.)

MR. SANTORUM: Through reconciliation you can repeal the taxes, you can repeal the spending, and therefore the mandate has no teeth because there's no tax penalty if you don't enforce (them ?).

MR. ROSE: All right, we have much to talk about. When we come back, the candidates will ask questions of each other, after this break. (Applause.)

(Announcements.)

MR. ROSE: Welcome back. We're at the Republican presidential candidates' debate. We're at Dartmouth College in New Hanover (sic) -- in Hanover, New Hampshire -- and we're pleased now to turn around a bit and have the candidates question each other. They will each have 30 seconds to pose and answer -- will have one minute to respond -- 30 seconds per question, one minute to respond.

They'll proceed in alphabetical order. I remember that -- I want you to remember, as we talk about this, we're talking about the economy or those things that affect the economy.

Beginning in alphabetical order: Congresswoman Bachmann.

REP. BACHMANN: Thank you. In the 1980s, Ronald Reagan introduced an economic miracle. And while all of us were wishing and yearning for a third term for Ronald Reagan, Governor Perry, you were campaigning and cochairing Al Gore's election campaign for president of the United States. You went on to

increase spending in Texas by over 50 percent, and you financed that spending by increasing bond debt by over 137 percent. That's exactly what Barack Obama has been doing: increasing debt by trillions of dollars. How can we trust you to not go down the Obama way and overspend and pay for that spending with indebtedness on the backs of the next generation?

GOV. PERRY: Well, I, like most people in the state of Texas and in those southern states, grew up a Democrat. Michael Reagan and I were talking just the other day, Charlie, that I came to the Republican Party sooner in age than his dad, Ronald Reagan did.

And let me just address this issue of the debt in the state of Texas. Texas has the sixth-lowest debt per capita when I started as the governor back in 2000. And today, Texas has the second-lowest debt per capita in the United States. I think that's what America's looking for, is a president of the United States that understands how to balance budgets, how to deal with the spending issue and how to get Americans back working again.

MR. ROSE: Herman Cain -- question.

MR. CAIN: Yes. One of my guiding principles has been and will always be: Surround yourself with good people. The 9-9-9 plan that I have proposed is simple, transparent, efficient, fair and neutral.

My question is to Governor Romney. Can you name all 59 points in your 160-page plan? And does it satisfy that criteria of being simple, transparent, efficient, fair and neutral? (Laughter, applause.)

MR. ROMNEY: (Laughs.) Herman, I -- I've had the experience in my life of taking -- taking on some tough problems. And -- and I must admit that -- that simple answers are -- are always very helpful, but oftentimes inadequate. And in my view, to get this economy going again, we're going to have to deal with more than just tax policy and just energy policy, even though both of those are part of my plan.

And the other parts of my plan are these.

One is to make sure that we stop the regulatory creep that's occurred in Washington. And all of the Obama regulations we say no to -- we put a halt on them and reverse all of those that cost jobs.

Number two, we have trade policies that open up new markets to American goods. And I lay out a number of things I'd do in that 59 points that open up more markets to American goods. And we of course stop the cheating that goes on.

We also have to have the rule of law. By that I mean you can't have the federal government through its friends at the National Labor Relations Board saying to a company like Boeing that you can't build a factory in a non-union state. That's simply wrong and violates the principle of the rule of law.

We also have to have institutions that create human capital. We're a capitalist system, but we don't -- don't just believe in -- in physical capital or financial capital --

MR. ROSE: All right.

MR. ROMNEY: -- also human capital. We need great schools, great institutions.

Finally, you got to have a government that doesn't spend more money than it takes in.

Those are the seven major pillars of those 59 points.

MR. CAIN: So no, it's not simple is what you're saying. MR. ROMNEY: It -- I -- let me -- let me tell you, to get this economy restructured fundamentally to put America on a path to be the most competitive place in the world to create jobs is going to take someone who knows how to do it. And it's not one or two things; it's a good number of things to get America -- (inaudible).

MR. ROSE: All right. Speaker Gingrich, question.

MR. GINGRICH: Now, Governor Romney, let me say first of all there's an awful lot in your plan that's very good and that I think would be very helpful if implemented -- a lot better than what Obama is doing. But one of the characteristics of Obama in his class-warfare approach has been to talk about going after people who made over \$250,000 a year and divide us. And I was a little surprised -- I think it's about page 47 of your plan -- that you have a capital-gains tax cut for people under \$200,000, which is actually lower than the Obama model.

Now, as a businessman, you know that you actually lose economic effectiveness if you limit capital-gains tax cuts only to people who don't get capital gains. So I'm curious: What was the rationale for setting an even lower base mark than -- than -- than Obama had?

MR. ROMNEY: Well, the reason for giving a tax break to middle-income Americans is that middle-income Americans have been the people who have been most hurt by the Obama economy. The reason you're seeing protests, as you indicated, on Wall Street and across the country is middle-income Americans are having a hard time making ends meet. Not only do we have 25 million people out of work or stopped looking for work, or in part-time jobs needing full-time employ, we just saw this week that median income in America has declined by 10 percent during the Obama years. People are having a hard time making ends meet.

And so if I'm going to use precious dollars to reduce taxes, I want to focus it on where the people are hurting the most, and that's the middle class. I'm -- I'm not worried about rich people; they're doing just fine. The very poor have a safety net; they're taken care of. But the people in the middle, the hard-working Americans, are the people who need a break, and that's why I focus my tax cut right there.

MR. ROSE: Governor Huntsman.

MR. HUNTSMAN: Since this discussion is all about economics, Governor Romney, I promise this won't be about religion. (Laughter.) Some -- (laughter) -- sorry about that, Rick.

Since some might see it because of your past employment with Bain Capital as more of a financial engineer -- somebody who breaks down businesses, destroys jobs as opposed to creating jobs and opportunity, leveraging up, spinning off, enriching shareholders -- Since you were number 47 as governor of the state of Massachusetts -- where we were number one for example -- and the whole discussion around this campaign is going to be job creation, how can you win that debate given your background?

MR. ROMNEY: Well, my background is quite different than you describe, Jon. (Chuckles.) So the way I'll win it is by telling people an accurate rendition of what I've done in my life.

And fortunately, people in New Hampshire, living next door, have a pretty good sense of that. They understand that in the business I was in, we didn't take things apart and cut them off and sell them off. We -- we instead helped start businesses.

And they know some of the names. We started Staples, we started the Sports Authority, we started Bright Horizons children centers. Heck, we even started a steel mill in a farm field in Indiana. And that steel mill operates today and employs a lot of people. So we began businesses.

Sometimes we acquired businesses and tried to turn them around -- typically effectively -- and net -- net created tens of thousands of new jobs. And I'm proud of the fact that we were able to do that. That's a big part of the American system. People are not going to -- in my opinion, are not going to be looking for someone who's not successful. They want someone who has been successful and who knows how fundamentally the economy works.

I -- look, I -- I would not be in this race had I spent my life in politics alone. Nothing wrong with that, of course. But right now, with the American people in the kind of financial crisis they're in, they need someone who knows how to create jobs, and I do.

MR. ROSE: All right. Congressman Paul.

REP. PAUL: Since the Federal Reserve is the engine of inflation, creates the business cycle, produces our recessions and our depressions, the Federal Reserve obviously is a very important issue. And fortunately tonight, we have a former director of the Federal Reserve at Kansas City, so I have a question for Mr. Cain.

Mr. Cain, in the past, you've been rather critical of any of us who would want to audit the Fed.

You said -- you've used pretty strong terms, that we were ignorant and that we didn't know what we were doing, and therefore there is no need for a(n) audit anyway because if you had one you're not going to find out everything because everybody knows everything about the Fed. But now that we have found -- and we've gotten an audit, we have found out an awful lot on how special businesses get, you know, bailed out -- Wall Street, the banks and special companies, foreign governments. And -- and you said that -- you advised those of us who are concerned and you belittled. You say, call up the Federal Reserve and just ask 'em --

MR. ROSE: Question?

REP. PAUL: -- to get the PR person. So do you still stick by this, that this is a -- this is frivolous? Or do you think it's very important? Sixty-four percent of the American people want a full audit of the Fed on a

regular basis.

MR. ROSE: Mr. Cain?

MR. CAIN: First of all, you have misquoted me. I did not call you or any of your people "ignorant." I don't know where that came from.

REP. PAUL: (Off mic.)

MR. CAIN: All right? Now, so you got to be careful of the stuff that you get off the Internet because that's just not something that I have said. (Laughter.)

Secondly, when I served on the board of the Federal Reserve in the 1990s, we didn't do any of the things that this Federal Reserve is doing. I don't agree with the actions of this Federal Reserve. I don't agree with the actions that have been undertaken by Ben Bernanke. We didn't have a \$14 trillion national debt to prop up with some of the actions that they are taking.

And I have also said, to be precise, I do not object to the Federal Reserve being audited. I simply said if someone wants to initiate that option, go right ahead. It doesn't bother me. So you -- I've been misrepresented in that regard. I don't have a problem with the Federal Reserve being audited. It's simply not my top priority. My top priority is 9-9-9. (Laughter.) Jobs, jobs, jobs! (Applause.) MR. ROSE: Governor Perry, question for --

GOV. PERRY: (Chuckles.) Governor Romney, your chief economic adviser, Glenn Hubbard, who you know well -- he said that "Romneycare" was "Obamacare." And "Romneycare" has driven the cost of small business insurance premiums up by 14 percent over the national average in Massachusetts.

So my question for you would be, how would you respond to his criticism of your signature legislative achievement?

MR. ROMNEY: You know, the -- the great thing about running for president is that you get the chance also to talk about your experience as governor, and I'm proud of the fact that we took on a major problem in my state. And the problem was that we had a lot of kids without insurance, a lot of adults without insurance,

but it added up to about 8 percent of our population. And we said: You know what? We want to find a way to get those folks insured, but we don't want to change anything for the 92 percent of the people that already have insurance. And so our plan dealt with those 8 percent, not the 92 (percent).

One of the problems with "Obamacare" is, he doesn't deal with the people without insurance, he takes over health care for everyone. Then he does something else that Chris Christie said today. He said: The problem with "Obamacare" is he spends an extra trillion dollars and raises taxes. And raising taxes is one of the big problems -- something we didn't do in Massachusetts.

He also cuts Medicare! Only -- but -- but with people out there talking about Medicare -- it's President Obama that did that.

And I -- I'm proud of what we were able to accomplish. I'll tell you this, though. We have the lowest number of kids, as a percentage, uninsured, of any state in America. You have the highest. You have over --

GOV. PERRY: (Inaudible) --

MR. ROMNEY: -- I'm still -- I'm still speaking. I'm still speaking.

GOV. PERRY: -- Mr. Glenn Hubbard's criticism. MR. ROMNEY: I'm still speaking. We have -- we have less than 1 percent of our kids -- they're uninsured. You have a million kids uninsured in Texas -- a million kids.

Under President Bush, the percent uninsured went down. Under your leadership, it's gone up.

I care about people. Now our plan isn't perfect. Glenn Hubbard is a fine fellow. I (will ?) take a look at his quote.

Some people say that. Just because people say something doesn't mean it's true. (Chuckles.) The truth is, our plan is different. And the people of Massachusetts, if they don't like it, they get rid of it. Right now, they favor it three-to-one.

But I'm not running for governor of Massachusetts; I'm running for president of the United States. And as president, I will repeal "Obamacare." I'll grant a waiver on day one to get that started. And I'll make sure that we return to the states what we had when I was governor: the right to care for our poor in the way we thought best for our respective states.

MR. ROSE: Senator Santorum.

MR. SANTORUM: Romney's before me -- R.

MR. ROSE: No, I'm sorry, you're right. You're right. (Laughter.) Governor Romney. (Laughs, laughter.) Very good. (Applause.)

I missed school that day. I missed school that day when they said R is before S. (Laughter.)

MR. GINGRICH: Think of us as your -- (inaudible).

MR. ROSE: That's right. (Laughs.)

MR. ROMNEY: You'd think someone from PBS would know that, wouldn't you? (Laughter.)

MR. ROSE: I was -- I was thinking how much I was enjoying this. (Laughter.)

MR. ROMNEY: (Laughs.) Yeah, exactly -- exactly right.

Let me turn to Congresswoman Bachmann, and just ask you Congresswoman, as we've spoken this evening, we're all concerned about getting Americans back to work. And you've laid out some pretty bold ideas with regards to taxation and cutting back the scale of the federal government. And there's no question, that's a very important element of getting people back to work. And I'd like to ask you to expand on your other ideas.

What do you do to help the American people get back to work, be able to make ends meet? You've got families that are sitting around the kitchen table, wondering how they're going to make it -- make it to the end of the month. You got -- you got young people coming out of college -- maybe not here at Dartmouth, but a lot of colleges across the country -- wondering where they can get a job. What would you do, beyond the tax policies you described, to get people back to work?

REP. BACHMANN: Well, I do understand that. I'm a mother of 28 kids -- 23 foster kids, five biological kids. I get how difficult it is for young people right now to get jobs right out of college. It's very, very tough. And the solutions that I'm offering in my plan -- which, if I can give a commercial, are at michelebachmann.com -- the solutions that I'm offering aren't just a silver bullet.

It's not just the tax code. It's also dealing with the regulatory burden, because businesses -- my husband and I started our own successful business. I'm 55. I spent my whole life in the private sector. I get job creation, too. And the business world is looking at 1.8 trillion (dollars) every year in compliance costs with government regulations. That has to go. So I want to get rid of that. It's the mother of all repeal bills.

But the number-one reason that employers say that they aren't hiring today is "Obamacare." And I was the leading critic for President Obama in Washington, D.C., against "Obamacare." That's why I was the first member of Congress to introduce that bill to repeal "Obamacare." I understand that's what's inhibiting job creation and job growth. We have to repeal that. I also introduced and I fought on Barney Frank's committee against Dodd-Frank, which is the "housing and jobs destruction act." That's why I was the chief author of that bill as well.

MR. ROSE: Time.

REP. BACHMANN: There's much more to my solutions. Go to michelebachmann.com and you can find out.

(Cross talk, laughter.)

MR. SANTORUM: We're in the "live free or die" state, and I opposed the single-biggest government intrusion into the private sector, the Wall Street bailout, the TARP program. I opposed it because it violated the principles of our Constitution, the spirit of our Constitution, because the experience I had, that if you open up the door of government involvement in the private sector, some president will, and in fact did, drive a truck through it and explode the size of the federal government and constrict our freedom.

The interesting thing here is, is the four people on this panel that actually supported TARP at the time of its -- of its passage are the people who say that they are the anti-Washington candidates, that they are the business candidates, and they're the four on this -- on this program that supported the Washington bailout, giving Washington -- naively, I would say -- tools to constrict our freedom.

MS. : So do you have a question for one of them?

MORE MR. SANTORUM: My question is -- you've -- you've prompted it perfectly because here's my question.

MR. CAIN: (Laughs.)

MR. SANTORUM: My question is, since I think Herman Cain is giving naively a tool in his 9-9-9 plan of giving Washington a huge new tax -- tax opportunity to get money through a sales tax, why can we trust you that, with your lack of experience, that you won't continually give Washington the ability to take freedom away from freedom-loving people here in the Live Free or Die State?

MR. CAIN: There are three deterrents to the --

MR. SANTORUM: And by the way, it's one -- the four people were Governor Huntsman, Governor Perry, Herman Cain and Governor Romney all supported TARP.

MR. CAIN: There are three deterrents to this nightmare scenario you described in terms of how bad things are going to be because we are trying to fix the real problem.

The first deterrent is that I'm going to ask the United States Congress to include a two-thirds majority vote before they can raise the 9-9-9 tax.

The second deterrent -- the second deterrent is the fact that because it is visible, simple and transparent, the American people are going to be the ones to hold Congress -- Congress' feet to the fire.

The third deterrent is that I would be president and I won't sign anything that raises the 9-9-9.

MR. SANTORUM: You're not going to be president forever.

MR. ROSE: With that we take a break and come back for our final segment. Stay with us. (Applause.)

(Announcements.)

MR. ROSE: We are back at Dartmouth in Hanover, New Hampshire, talking with the eight Republican candidates about a variety of issues. Clearly, we come back to health care. I want to go to Governor Perry. Explain to me what you think the difference is about your health care ideas and Governor Romney's health care ideas and how you see mandates and how he sees mandates and the Constitution, because not only has there been some exchange here, Governor Christie got involved today.

GOV. PERRY: Well, certainly the issue of health care is probably one of the biggest one that's facing us. I mean, there are a lot of Americans sitting out there today, and -- and getting those people back to work's the most important thing that we do as a country so that they can have the opportunity to purchase health care. And I think that is probably the biggest issue that are facing Americans. There are people sitting out there around the kitchen table watching TV tonight who are looking for someone to lay out an idea that truly will get this country back working again.

And that's why I lay out, without having any congressional impact at all, how to get our energy industry back to work and back to work very quickly.

But in the state of Texas, from the standpoint of what we've done to make access of health care better, we passed the most sweeping tort reform in the nation in -- in 2003. We also passed Healthy Texas, which expands the private sector insurance, and we've driven down the cost of insurance by 30 percent.

So those are some of the ways that the states -- but the real issue for us is Medicaid and how to get the flexibility on Medicaid so that the innovators can occur in the states. I can promise you whether it's Governor Jindal or myself or Susana Martinez over in New Mexico, that's where you'll find the real innovation in health care. The way to deliver health care more efficiently, more effectively is to block grant those dollars back to the state and keep this federal government that has this one-size-fits-all mentality from driving the thought process that we've seen that's destroyed health care in this country today.

MS. TUMULTY: But Governor Perry, as The Washington Post fact-checker noted, Texas has had 16 waivers for Medicaid. So how can you say that the problem is that the federal government has not given Texas enough flexibility?

GOV. PERRY: They haven't anywhere near given the states -- I think what you should see is the block granting, not having to go to Washington, D.C. and ask them mother may I every time you come up with a concept or an idea. Block granting back to the states, I'll guarantee you the governors and -- and their innovators in -- in their states will come up with ways to better deliver health care more efficiently, more effectively, more cost-efficiently. And that's what this country's looking for, is a president who understands that we have these 50 laboratories of innovation. Free up these states from Washington, D.C.'s one-size-fits-all.

MR. ROSE: Julianna.

MS. GOLDMAN: Thank you, Charlie.

Mr. Cain, you disapprove of Fed chairman Ben Bernanke, and we all know that your priority is 9-9-9.

But one of the most important appointments that you're going to have to make your first year, should you be president, would be Fed chairman. So which Federal Reserve chairman, over the last 40 years, do you think has been most successful and might serve as a model for that appointment?

MR. CAIN: Alan Greenspan.

MS. GOLDMAN: Why?

MR. CAIN: Because that's when I served on the board of the Federal Reserve in the early 1990s, and the way Alan Greenspan oversaw the Fed and the way he coordinated with -- the way he coordinated with all of the Federal Reserve banks, I think that it worked fine back in the early 1990s.

Now, on that same point, I have already identified two candidates, which I cannot give their names, to replace the -- Bernanke in anticipation of having that responsibility. We must narrow the mission of the Fed first. I don't believe in ending the Fed; I believe we can fix the Fed by getting their mission re-focused on

monetary price stability. And I have candidates in mind that will help us do that.

MS. GOLDMAN: So you have two appointments waiting in the wings for -- for 2013, for this -- when his --

MR. CAIN: Yes.

MS. GOLDMAN: -- term is up, 2014?

MR. CAIN: Yes. I have two candidates waiting in the wings to take that job.

MS. GOLDMAN: How about a hint?

MR. CAIN: I got to keep them confidential.

MS. GOLDMAN: OK. Congressman Paul? (Laughs, laughter.)

REP. PAUL: Spoken like a true insider. (Chuckles.) No, Alan Greenspan was a disaster. (Laughter, applause.) Everybody in Washington -- liberals and conservatives -- said he kept interest rates too low too long. Of course, the solution was lower 'em even more, and they think that's going to solve our problems. But if I had to name one person that did a little bit of good, that was Paul Volcker. He at least knew how to end -- or help, you know, end the inflation.

But of course, with my position that I don't think highly of the Federal Reserve and I think we should have sound money and we shouldn't have somebody deciding what the interest rates should be and how much money supply we should have, I mean, nobody satisfies me.

But certainly Alan Greenspan has ushered in the biggest bubble. And what did we do? We've continued the same thing, doing the same thing. We think the inflation of -- under Alan Greenspan was bad, so we're trying to solve the problem by inflating even further. So Bernanke compounds the problem. He's inflating twice as fast as Greenspan was.

But Greenspan caused so much trouble. And he used to believe in the gold standard. I think he's coming around to that. And before he retires, he'll write his biography and explain why he's coming back to the gold standard.

MR. ROSE: I want to go from the gold standard to a small- business person who is from New Hampshire, who's in the audience with us and has a question about small business, of which she has founded one: Margot Thompson (ph).

MARGOT THOMPSON (ph): Businesses like mine have great difficulty obtaining credit. What specifically would you do to make bank lending more accessible to small businesses?

MR. ROSE: You would direct it to --

Q: I was told to direct it to you --

MR. ROSE: Oh, Governor Romney? (Laughter.)

MR. ROMNEY: Give her the answer, Charlie. (Laughter.)

MR. ROSE: I ask questions, not answer them, governor.

MR. ROMNEY: Oh, OK, OK.

MR. ROSE: I forgot to explain that.

MR. ROMNEY: What's happened in this country, under the Obama administration, is that you have a president who I think is well- meaning but just over his head when it comes to the economy. And the absolute wrong time to have the absolute wrong people put together a financial regulatory bill was right now and Barney Frank and Chris Dodd. They were the wrong guys at the wrong time. Because what they did with this new bill is usher in what will be hundreds and thousands of pages of new regulations.

The big banks, the big money center banks in Wall Street, they can deal with that. I spoke with one banker there that said they have hundreds of lawyers working on that legislation and trying to implement it.

For community banks that provide loans to business like yours, they can't possibly deal with a regulatory burden like that.

Then you have inspectors coming in and writing down your -- their -- their assets and saying they're not worth as much as the bank thought they were worth, and therefore the banks are unable to lend.

Small community banks across this country are starving and struggling because of inspectors that are making their job impossible and because of regulation that's fine for the big banks, because they can deal with it. It's a killer for the small banks. And those small banks loaning to small businesses and entrepreneurs are what have typically gotten our economy out of recession.

What's -- what the president has done on almost every dimension --

MR. ROSE: All right.

MR. ROMNEY: -- is exactly the wrong thing to get this economy going again.

REP. BACHMANN: OK.

MR. ROSE: Congresswoman Bachmann.

REP. BACHMANN: I'd like to add to that, because the Dodd-Frank bill IS the -- the jobs and housing destruction act. And I have spoken to -- to Iowa bankers, and they told me that they are going to see the collapse of community banks, just like Mitt said, all across the state. I talked to a banker in Texas who owns multiple branch banks. He said he's going to lose 20 million (dollars) on his bottom line this year because of all of the compliance.

So government is putting a huge layer of regulation on banks. We will literally thousands of banks close their door. That will be hard for small business owners like you and like me. And so that's going to hurt real people, and it will lead to job destruction.

MR. ROSE: All right.

REP. BACHMANN: That's why I introduced the bill to repeal Dodd- Frank, because it'll hurt credit, not add to credit. And by the way, that's why we see the new \$5 debit card fee that people are paying every -- every month that they're upset about, because of Dodd-Frank. And that was insider dealing, because Senator Durbin had former staffers that came to lobby him on behalf of retailers. This is dirty dealing. As president of the United States, I would end all of these payoffs to political donors by -- by -- by our legislators.

That's a -- that's wrong. That's got to end.

MR. ROSE: OK. Here, and then go over here -- first, and then there.

MR. CAIN: In addition to what Governor Romney said, I agree, repeal Dodd-Frank. But also, get rid of the capital gains tax. That's a big wall between people with ideas and people with money. And we know which plan gets rid of the capital gains tax. (Laughter.)

REP. PAUL: I just want to add one quick thing. You know, Dodd- Frank, obviously, is a disaster. It's estimated it's going to cost a trillion dollars. I think one of the reasons we're not getting anywhere, and we're not getting anywhere in Washington, is it's a partisan fight; it's a fight over power. Because Sarbanes-Oxley, which was done by the Republicans, it cost a trillion dollars, too. Let's repeal that, too.

I mean, if you look at what we've done as Republicans, we have caused a lot of problems. To say it's all in these past two years, I mean, I think that is so misleading. That's why the American people are sick and tired of listening to the politics -- (inaudible).

MR. ROSE: All right, I want to bring my colleagues in.

Karen?

MS. TUMULTY: Right. Governor Perry, taxpayers stand to lose half a billion dollars in the collapse of Solyndra, which is a solar energy firm that was a centerpiece of the Obama green jobs initiative. Do you think there were inadequate safeguards there, or do you think this is just the risk we run when the government gets involved in subsidizing new industries and technologies?

GOV. PERRY: Well, I don't think the federal government should be involved in that type of investment, period. If states want to choose to do that, I think that's fine for states to do that.

MS. TUMULTY: And you have in Texas done that with the emerging technology fund. But your own state auditor said earlier this year that that fund is neither accountable nor transparent. The Dallas Morning News reported that that fund gave \$16 million to companies that are connected to your campaign contributors. And like Solyndra, some of the emerging technology fund investments have gone bust. So how is this different in principle from the Obama administration's efforts to pick winners in the future economy?

GOV. PERRY: Well, first off, the Texas legislature has full oversight of that committee. It's approved it for -- I think since 2003. So every two years the Texas legislature looks at it and it's had full oversight, and I can promise you the 54,600 jobs that have been created and the 14-plus billion dollars worth of investment that has come out of the Enterprise Fund in the state of Texas, those people that have jobs today in the state of Texas, they are absolutely happy that we've got a program like that. And -- and 75 percent of those Emerging Technology Fund dollars -- or my appointees never made a contribution to me, period.

MS. TUMULTY: But you talk about -- you talk about oversight. The fact is that in some instances your appointees have overruled the regional boards that have tried to turn back some of these deals.

GOV. PERRY: Every -- every one of those projects had the lieutenant governor, the speaker and the governor's office. So there's extraordinary amount of oversight in those programs, and we're proud of them. I mean, we feel like that those are part of the reason that Texas has led the nation in the creation of jobs. While this country was losing 2 1/2 million jobs, Texas was creating 1 million jobs. That's the kind of leadership that America's longing for, someone that actually understands that you have to be able to give a climate where people know they can risk their capital and have a chance to have a return on that investment.

MR. ROSE: We have one more video I want to show. Here it is.

FORMER PRESIDENT GEORGE W. BUSH: (From videotape.) The more people who own their home, the better off America is. And we're making good progress. Our nation's 68 percent homeownership

rate is the highest ever. More people own homes now than ever before in the country's history, and that's exciting for the future of America. (Applause.)

MR. ROSE: Speaker Gingrich, is the American dream of owning a home no longer a realistic dream? And is it too easy in America?

MR. GINGRICH: You know, there's a stream of American thought that really wishes we would decay and fall apart, and that the future would be bleak so the government could then share the misery. It was captured by Jimmy Carter in his "malaise speech." It's captured every week by Barack Obama in his apologies disguised as press conferences. (Laughter, scattered applause.)

The fact is -- and the governor is exactly right. When we get back -- I mean, a lot of these folks are right about a lot of things. His energy plan, his industrial manufacturing plan, most of what he put down -- a fair amount, but not totally what my good friend said there -- hard money with a very limited Federal Reserve --

MS. TUMULTY (?): Repeal "Obamacare" --

MR. GINGRICH: What Huntsman has done --

MS. TUMULTY (?): Repeal "Obamacare" --

MR. GINGRICH: And she -- she's right on repealing Dodd-Frank. I'm shocked that the House Republicans haven't repealed Dodd-Frank. They ought to do it now.

MS. TUMULTY: (Off mic.)

MR. GINGRICH: They ought to repeal Sarbanes-Oxley now. If we get back on track, the -- and you know this, as a former ambassador -- the Chinese couldn't compete with us in a hundred years if we got our act together in this country and we got back to doing the right things in this country; at which point we could afford to buy houses, which would solve virtually everything else. You got to be able to afford it to be able to buy it, and that's where things went wrong in the -- in the last decade.

MR. ROSE: All right.

Julianna.

MS. GOLDMAN: Mr. Cain -- (applause) -- you recently said, quoting you: Don't blame Wall Street, don't blame the big banks; if you don't have a job and you're not rich, blame yourself. So are you telling the 14 million unemployed Americans that it's their fault that they don't have a job?

MR. CAIN: No, the question was -- that response was directed at the people that are protesting on Wall Street, not that 14 million people who are out of work for no reason of their own other than that the economy is not growing, not the millions of people that are underemployed.

That statement was not directed at them. It was specifically directed at the people who were protesting on Wall Street. And I also said that they have basically targeted the wrong target. It should be against the failed policies of this administration, not Wall Street, is where they should be protesting.

MS. GOLDMAN: Governor Romney, I want to ask you, because President Obama's jobs bill was stalled in the Senate today, and so it may have to be broken into component parts for Congress to vote on. If the payroll tax cut is not extended, that would mean a tax increase for all Americans. What would be the consequences of that?

MR. ROMNEY: No one likes to see tax increases, but look, the -- the stimulus bills the president comes out with that are supposedly going to create jobs, we've now seen this played in the theater several times. And what we're seeing hasn't worked. The American people know that when he -- when he went into office and borrowed \$800 billion for a massive jobs stimulus program, that they didn't see the jobs. Some of those green jobs we were supposed to get, that's money down the drain. The right course for America is not to keep spending money on stimulus bills, but instead to make permanent changes to the tax code.

Look, when you give -- as the president's bill does, if you give a temporary change to the payroll tax and you say, we're going to extend this for a year or two, employers don't hire people for a year or two. They make an investment in a person that goes over a long period of time. And so if you want to get this economy going again, you have to have people who understand how employers think, what it takes to create jobs. And what it takes to create jobs is more than just a temporary shift in a tax stimulus. It needs instead fundamental restructuring of our economy to make sure that we are the most attractive place in the world for investment, for innovation, for growth and for hiring, and we can do that again.

MS. GOLDMAN: So you would be OK with seeing the payroll tax cuts --

MR. ROMNEY: Look, I don't like -- (inaudible) -- little Band-Aids. I want to fundamentally restructure America's foundation economically.

MR. ROSE: Before a closing question, I want not this hour and a half to pass without some recognition and conversation about the question of disparity in America. Karen.

MS. TUMULTY: Governor Perry, over the last 30 years, the income of the wealthiest 1 percent of Americans has grown by more than 300 percent. And yet, we have more people living in poverty in this country than at any time in the last 50 years. Is this acceptable? And what would you do to close that gap?

GOV. PERRY: The reason we have that many people living in poverty is because we've got a president of the United States who's a job killer. That's what's wrong with this country today. You have a president who does not understand how to create wealth. He has overtaxed, over-regulated the small-businessmen and -women to the point where they're laying off people.

Two-and-a-half million Americans are out there who have lost their jobs. We have 14 million without work. This president, I will suggest to you, is the biggest deterrent to getting this country back on track. And we have to do everything we can to replace Barack Obama in 2012. (Applause.)

MR. ROSE: All right, let me just --

MR. SANTORUM: There's more -- there's more to it --

MR. ROSE: OK, but we're almost out of time. I want to give you a chance, and then we have to go to a final question.

MR. SANTORUM: There's more to it than that. I agree with Rick, what he said. But the biggest problem with poverty in America we don't talk about here, because it's an economic discussion. And that is the breakdown of the American family. You want to look at the poverty rate among families that have two --

a husband and wife working in them? It's 5 percent today. A family that's headed by one person? It's 30 percent today.

We need to do something. We need to talk about economics, the home -- the word "home" in Greek is the basis of the word "economy." It is -- it is the foundation of our country. We need to have a policy that supports families, that encourages marriage --

MR. ROSE: All right.

MR. SANTORUM: -- that has fathers take responsibility for their children. You can't have limited government, you can't have a wealthy society, if the family breaks down that basic unit of society. And that needs to be included in this economic discussion.

MR. ROSE: All right, I've got one last question.

One last question with 30 minutes of -- one last question --

AUDIENCE MEMBER: (Off mic.)

MR. ROSE: All right. One last question as we close this evening, and each of you 30 seconds. What is it about you that you want to connect with the American people in their both despair and in their hope for the future that says something essentially about who you are? And I begin with Congresswoman Bachmann.

REP. BACHMANN: I'm sorry, Charlie.

REP. PAUL: (Chuckles.) A little distraction. (Laughter.)

MR. ROSE: It is about the individual. We have 30 seconds here. We've talked about issues here, but I want to talk for a moment, as a last impression, a sense of what it is about you that you want to hear and let the American people know about you and your sense of recognizing their own pain as well as their hope?

REP. BACHMANN: Well, I do -- I grew up in a middle-class home. We went to below --

MR. ROSE: Thirty seconds. I'm sorry.

REP. BACHMANN: We -- we went to below poverty when my parents divorced, and my mother worked very hard. We all did. We all got jobs and we were able to work our way through college. And -- and eventually my husband and I started a business.

We have broken hearts for at-risk kids, Charlie. That's why we took 23 foster children into our home.

I believe the best solutions are the ones closest to home. If we reach out as individuals to help people and have broken hearts for people and care for them on a personal basis, then we don't need big government to step in and do that job. The more that we can do to love people, the better off the society will be.

MR. ROSE: And Herman Cain. Thirty seconds.

MR. CAIN: I can connect with people's pain because I was po' before I was poor. My dad worked three jobs. I understand what that means. But more importantly, with my career and with my record, I understand that leaders are supposed to make sure we're working on the right problems, we assign the right priority; surround yourself with the right people, which will allow you to put together the right plans -- and yes, sometimes those plans will be bold plans, because this economy is on life support.

We don't need to trim around the edges. We need a bold plan.

MR. ROSE: Congressman -- Speaker Gingrich.

MR. GINGRICH: Well, look, I grew up in an Army brat family. We moved all over the country. In recent years I've had relatives out of work. I've had folks who were trying to find jobs for up to a year. We have, I think, a pretty good sense of the pain level.

But I also think it's important to say of leaders that you find solution -- I don't think people hire one of us just to say: I sympathize with you.

I think they hire us to say: This is how we will solve it.

And I would say every person at this table is more likely to solve those problems than Barack Obama.

MR. ROSE: Congressman Paul. (Applause.)

REP. PAUL: My motivation, my goals has always been to promote liberty, believing that's what made America great. If we want prosperity, if we want peace, we understand what the cause of liberty is all about. And we have to understand that a free market system and sound money gives us the prosperity. And it also is the humanitarian program, because once you get into the welfare state and a socialist state, it all backfires. So if you care about people, you believe in liberty, that's what made America great. That's what I want to restore.

MR. ROSE: Senator Santorum. (Applause.)

MR. SANTORUM: As was mentioned, I grew up in a steel town, and one of the things that I realized is the when manufacturing left, a lot of the people in the middle income of America left.

And what we -- what I -- I just read a recent study that actually income mobility from the bottom two quintiles up into the middle of -- up into the middle income is actually greater -- the mobility in Europe -- than it is in America today. We need to change that, and the way you do it is by -- in -- by creating jobs in the manufacturing sector of the economy, which is what I will do. It create that income mobility. It'll create the opportunity for semiskilled and lower- skilled and -- and skilled workers to rise in society. It will take those people off of Occupy -- and bring them into the workplace, where they can -- they can have family-sustaining jobs.

MR. ROSE: Governor Huntsman.

MR. HUNTSMAN: Not only have I seen and participated in the creation of a great family business where jobs mean something, but I presided over a state that delivered the lowest level of unemployment in this country, 2.4 percent. And when I saw on the faces of people who had the dignity of a job, you knew what it meant to moms and dads and entire families.

And when Sheriff Hardy who was here in Hillsborough, New Hampshire, when he talks about his deputies who for the first time are handing our foreclosure notices to the middle class and they're seeing a rise in suicides, they're seeing a rise in spousal abuse, they're seeing a rise in substance abuse, it gives you a sense of what it means to have the dignity of a job. We don't have enough of them in this country.

MR. ROSE: Governor Perry.

GOV. PERRY: Charlie, as the son of tenant farmers and a young man who had the opportunity to wear the uniform of my country, and then the great privilege to serve as the governor of the second- largest state in this country, I've got not only the CEO experience but also working with the private sector to create the jobs. And that's what people are begging for. Talking to that out-of-work rig worker out in the Gulf of Mexico today, they're begging for someone to make America America again.

MR. ROSE: Governor Romney.

MR. ROMNEY: You know, we talked about a crisis this evening, an economic crisis, people out of work, incomes going down. But there's another crisis, and that's that people wonder whether their future will be brighter for the kids than it's been for them. It's always been what it means to be American, to have a greater degree of confidence in the future than even what we've enjoyed ourselves. And what we have to do is to have the leadership in this country, like the men and women at this table, who believe in America. My experience will help us get our values strong, get our economy strong, and make sure that our military is second to none in the world.

I am absolutely devoted to making America the strongest nation on Earth. And if you don't want that as your objective, don't vote for me -- we already have a president that doesn't make that his first -- first objective.

MR. ROSE: All right. I want to thank each and all of the candidates who sat at this table this evening. As I said at the beginning, I believe in tables and I believe that places where you can come and talk about the country and its future and your beliefs is important.

Secondly, I want to thank Karen and thank Julianna for joining us.

I want to thank all of you who came here this evening to hear these candidates. Thank you very much. For those at home, thank you for watching. A post-debate program will follow this. We thank you for your time. Good night. (Applause.)

END.

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