

The Fix

## 3rd Democratic debate transcript, annotated: Who said what and what it meant

By Team Fix December 19 at 11:26 PM

*Three Democratic candidates participated in tonight's ABC presidential primary debate at St. Anselm College in New Hampshire: Hillary Clinton, Bernie Sanders and Martin O'Malley.*

*We posted the complete transcript below, with insight from the crew here at The Fix as well as the [Fact Checker's](#) Michelle Lee.*

*Click or tap the highlighted part of the transcript to see an annotation; if you would like to leave your own annotations, make sure you have a [Genius account](#). Post staff annotations will appear by default; others are in a menu that you can see in the upper right when you click or tap on an annotation.*

The debate began after ABC's Martha Raddatz and David Muir introduced the candidates.

Raddatz: Good evening to you all. The rules for tonight are very basic and have been agreed to by all three campaigns in advance. Candidates can take up to a minute-and-a-half to respond directly to a question. For a rebuttal, for a follow-up, 45 seconds will be allowed. There are green, yellow, and red lights that each candidate will see to signal when time is running out and when they're supposed to be finished with their answers.

MUIR: We will be tackling many critical issues right here tonight, and we begin with opening statements, in alphabetical order, and Secretary Clinton.

CLINTON: Well, thank you. And I'm delighted to be here in New Hampshire for this debate.

You know, the American president has to both keep our families safe and make the economy grow in a way that helps everyone, not just those at the top. That's the job. I have a strategy to combat and defeat ISIS without getting us involved in another ground war, and I have plans to raise incomes and deal with a lot of the problems that keep families up at night.

I'm very clear that we have a distinct difference between those of us on this stage tonight and all of our Republican counterparts. From my perspective, we have to prevent the Republicans from rolling back the progress that we've made. They would repeal the Affordable Care Act, not improve it. They would give more tax breaks to the super-wealthy and corporations, not to the middle class. And they would, despite all their tough talk about terrorism, continue to let people who are on the no-fly list buy guns.

So we have a lot of work to do in this campaign to make it clear where we stand in the Democratic Party, what we will do for our country, and I look forward to this evening's discussion of real issues that face the American people.

Thank you.

RADDATZ: Thank you, Secretary Clinton.

(APPLAUSE)

Governor O'Malley?

O'MALLEY: Martha, thank you. Tonight we have a different debate than the debates that we have been allowed to have so far, because tonight is different because of this reason, that in the course of this presidential campaign America has again been attacked by jihadi terrorists, American lives taken from us. So, yes, we must talk about our ideas to move our economy forward, but the first job of the president of the United States is to protect the

people of the United States.

I visited with a number of our neighbors in Northern Virginia at a mosque last Friday. And as I looked out there at the eyes of our neighbors, I also looked in the eyes of veterans. I looked into the eyes of Boy Scouts. I looked into the eyes of moms and dads who would do anything in their power to protect our country's values and our freedoms.

What our nation needs right now is to realize that, while we face a terrible danger, we also face a different sort of political danger. And that is the danger that democracies find themselves susceptible to when unscrupulous leaders try to turn us upon each other. What our country needs right now is new leadership that will bring us together around the values that unite us and the freedoms that we share as Americans.

We will rise to challenge of ISIL and we will rise together to the challenges that we face in our economy. But we will only do so if we hold true to the values and the freedoms that unite us, which means we must never surrender them to terrorists, must never surrender our Americans values to racist, must never surrender to the fascist pleas of billionaires with big mouths.

We are a better country than this. Our enduring symbol is not the barbed wire fence, it is the Statue of Liberty. And America's best days are in front of us if we move forward together.

(APPLAUSE)

MUIR: Senator Sanders.

SANDERS: Good evening.

I am running for president of the United States because it is too late for establishment politics and establishment economics. I'm running for president because our economy is rigged because working people are working longer hours for lower wages and almost all of

new wealth and income being created is going to the top one percent. I'm running for president because I'm going to create an economy that works for working families not just billionaires.

I'm running for president because we have a campaign finance system which is corrupt, where billionaires are spending hundreds of millions of dollars to buy candidates who will represent their interests rather than the middle class and working families. I'm running because we need to address the planetary crisis of climate change and take on the fossil fuel industry and transform our energy system away from fossil fuel to energy efficiency and sustainable energy.

I'm running for president because I want a new foreign policy; one that takes on Isis, one that destroys ISIS, but one that does not get us involved in perpetual warfare in the quagmire of the Middle East but rather works around a major coalition of wealthy and powerful nations supporting Muslim troops on the ground. That's the kind of coalition we need and that's the kind of coalition I will put together.

(APPLAUSE)

MUIR: Senator Sanders thank you and thank you all.

We do have a lot of important issues to get here tonight and we want to address the controversy of the last 24 hours right off the top because we heard some of the most heated rhetoric of the campaign so far between two of the campaigns on this stage tonight.

Senator Sanders, you fired a campaign staffer you have sued the Democratic National Committee; all of this after your campaign acknowledge that some of your staffers quote, "irresponsibly accessed data from another campaign." The Clinton campaign called this a very egregious breach of data of ethics and said, quote, "our data was stolen."

Did they overstate this or were your staffers essentially stealing part of the Clinton playbook?

SANDERS: David, let me give you a little bit of background here.

The DNC has hired vendors. On two occasions, there were breeches in information two months ago. Our staff found information on our computers from the Clinton campaign. And when our staffers said, "whoa, what's going here?" They went to the DNC quietly.

They went to the vendor and said, "hey, something is wrong," and that was quietly dealt with. None of that information was looked at. Our staffer at that point did exactly the right thing.

A few days ago a similar incident happened. There was a breach because the DNC vendor screwed up, information came to our campaign. In this case, our staff did the wrong thing -- they looked at that information. As soon as we learned that they looked at that information - we fired that person. We are now doing an independent internal investigation to see who else was involved.

Thirdly, what I have a really problem, and as you mentioned - this is a problem, I recognize it as a problem. But what the DNC did arbitrarily without discussing it with us is shut off our access to our information crippling our campaign. That is an egregious act. I'm glad that late last night, that was resolved.

SANDERS: Fourthly, I work -- look forward to working with Secretary Clinton for an investigation, an independent investigation, about all of the breaches that have occurred from day one in this campaign, because I am not convinced that information from our campaign may not have ended up in her campaign. Don't know that.

But we need an independent investigation, and I hope Secretary Clinton will agree with me for the need of that.

Last point. When we saw the breach two months, we didn't go running to the media and make a big deal about it. And it bothers me very much that, rather than working on this issue

to resolve it, it has become many press releases from the Clinton campaign later.

MUIR: But Senator, you do mention the DNC -- the vender. But you said of your staff that they did the wrong thing.

SANDERS: Absolutely.

MUIR: So, does Secretary Clinton deserve an apology tonight?

SANDERS: Yes, I apologize.

MUIR: Secretary Clinton...

(APPLAUSE)

SANDERS: Not only -- not only do I apologize to Secretary Clinton -- and I hope we can work together on an independent investigation from day one -- I want to apologize to my supporters. This is not the type of campaign that we run.

And if I find anybody else involved in this, they will also be fired.

MUIR: Secretary Clinton, he has apologized. How do you react?

CLINTON: I very much appreciate that comment, Bernie. It really is important that we go forward on this.

I know that you now have your data back, and that there has been an agreement for an independent inquiry into what did happen.

Obviously, we were distressed when we learned of it, because we have worked very hard -- I said in the beginning of this campaign, we want to reach as many voters as possible, and we

have tens of thousands of volunteers doing that, and entering data all the time to keep up with what people are telling us.

And so, now that, I think, you know, we have resolved your data, we have agreed on an independent inquiry, we should move on. Because I don't think the American people are all that interested in this.

(APPLAUSE)

I think they're more interested in what we have to say about all the big issues facing us.

O'MALLEY: Yeah, David, look, for crying out loud, our country has been attacked, we have pressing issues involving how we're going to adapt to this changing era of warfare.

Our economy -- people are working harder and being left behind. You want to know why things don't get done in Washington? Because for the last 24 hours, with those issues being so urgent to people as they tune in tonight, wondering how they're even be able to buy presents for their kids.

Instead, we're listening to the bickering back and forth. Maybe that is normal politics in Washington, but that is not the politics of higher purpose that people expect from our party.

We need to address our security issues, we need to address the economic issues around the kitchen table. And if people want a more high-minded politics and want to move our country forward, go on to [martinomalley.com](http://martinomalley.com) and help my campaign move our country forward.

(APPLAUSE)

MUIR (?): All three candidates are weighing in.

SANDERS: Let me agree with Governor O'Malley and let me agree with Secretary Clinton.

You know, we had this incident before, Secretary, with your famous e-mails. Right?

And what I said and I think what Governor O'Malley is saying, and I hope you say, is when the middle class of this country is disappearing, when we have massive income and wealth inequality, when we're the only major country on earth not guaranteeing health care to all people, all the issues that the governor talked about, the secretary talked about, those are the issues. Media notwithstanding.

Those are the issues that the American people want discussed. I hope those are the issues we'll discuss.

MUIR: Good let's move on -- Senator Sanders, let's move on right to some of those issues.

(APPLAUSE)

It is just six days before Christmas, as we all know in this country. It's typically a joyful time, as it is this year, as well. But it's also an anxious time. President Obama has acknowledged that what we saw in San Bernardino was an act of terrorism. But we remember the president said, right before Thanksgiving, there is no known specific and credible intelligence indicating a plot on the homeland.

We now know that this couple had assembled an arsenal. They were not on law enforcement's radar. They were completely undetected. So as we approach another holiday, with the president again saying, late this week, no credible threat, Secretary Clinton, how confident should the American people be, that there aren't others like that couple right now in the U.S. going undetected?

And what would you do as president to find them?

CLINTON: Well, first, the most important job of being president is obviously to keep our country safe and to keep the families of America safe.



I have a plan that I've put forward to go after ISIS. Not to contain them, but to defeat them. And it has three parts. First, to go after them and deprive them of the territory they occupy now in both Syria and Iraq.

CLINTON: Secondly, to go after and dismantle their global network of terrorism. And thirdly, to do more to keep us safe. Under each of those three parts of my plan, I have very specific recommendations about what to do.

Obviously, in the first, we do have to have a -- an American-led air campaign, we have to have Arab and Kurdish troops on the ground. Secondly, we've got to go after everything from North Africa to South Asia and beyond.

And then, most importantly, here at home, I think there are three things that we have to get right. We have to do the best possible job of sharing intelligence and information. That now includes the internet, because we have seen that ISIS is a very effective recruiter, propagandist and inciter and celebrator of violence.

That means we have to work more closely with our great tech companies. They can't see the government as an adversary, we can't see them as obstructionists. We've got to figure out how we can do more to understand who is saying what and what they're planning.

And we must work more closely with Muslim-American communities. Just like Martin, I met with a group of Muslim-Americans this past week to hear from them about what they're doing to try to stop radicalization. They will be our early warning signal. That's why we need to work with them, not demonize them, as the Republicans have been doing.

O'MALLEY: David, I am the very first...

MUIR: (inaudible) thank you.

(APPLAUSE)

I am the very first post-9/11 mayor and the very first post-9/11 governor. I understand, from the ground up, that when attacks like San Bernardino happen, when attacks like the attacks of 9/11 happen, that when people call 911, the first people to show up are the local first responders.

Many of the things Secretary Clinton said are absolutely true, but they underscore a lack of investment that we have, as a nation, failed to make over these last 15 years in intelligence gathering, intelligence analysis, intelligence sharing. Not only in theater, in Syria and Iraq and other places where we embark (ph) ourselves in toppling dictators without having any idea what comes next, but here in the homeland, as we protect people from this threat of the lone wolves and these changing tactics and strategies.

I believe that what's happened here is that the president had us on the right course, but it's a lack of battle tempo. We have to increase the battle tempo, we have to bring a modern way of getting things done and forcing the sharing of information and do a much better job of acting on it in order to prevent these sorts of attacks in the future.

MUIR: And we're going to break down these issues tonight, but I do want to go to Senator Sanders because the concern going into Christmas is significant, as you know. A new ABC News poll shows 77 percent of Americans have little or no confidence in the government's ability to prevent a lone wolf attack. How would you specifically find would-be terrorist who are going undetected?

SANDERS: I'm one of the 77 percent. I think this is a very difficult issue. Let me agree with much of what the secretary and the governor have said. Let me tell you what I think we have got to do. I think it's a two-pronged issue.

Number one, our goal is to crush and destroy ISIS. What is the best way to do it? Well, I think there are some differences of opinion here, perhaps between the secretary and myself. I voted against the war in Iraq because I thought unilateral military action would not produce the results that were necessary and would lead to the kind of unraveling and

instability that we saw in the Middle East.

I do not believe in unilateral American action. I believe in action in which we put together a strong coalition of forces, major powers and the Muslim nations. I think one of the heroes in a real quagmire out there, in a dangerous and difficult world, one of the heroes who we should recognize in the Middle East is King Abdullah II of Jordan. This small country has welcomed in many refugees.

And Abdullah said something recently, very important. He said, "Yes, international terrorism is by definition an international issue, but it is primarily an issue of the Muslim nations who are fighting for the soul of Islam. We the Muslims should lead the effort on the ground." And I believe he is absolutely right.

MUIR: Senator, thank you.

RADDATZ: Secretary Clinton, in the wake of the San Bernardino attack, you all emphasized gun control. But our latest poll shows that more Americans believe arming people, not stricter gun laws, is the best defense against terrorism. Are they wrong?

CLINTON: Well, I think you have to look at both the terrorism challenge that we face abroad and certainly at home and the role that guns play in delivering the violence that stalks us. Clearly, we have to have a very specific set of actions to take. You know, when Senator Sanders talks about a coalition, I agree with him about that. We've got to build a coalition abroad. We also have to build a coalition at home. Abroad, we need a coalition that is going to take on ISIS. I know how hard that is. I know it isn't something you just hope people will do and I've worked on that...

RADDATZ: Secretary Clinton, can we stick to gun control?

CLINTON: Yes, I'm getting...

RADDATZ: Are they wrong?

CLINTON: ... I'm getting to that. Because I think if you only think about the coalition abroad you're missing the main point, which is we need a coalition here at home. Guns, in and of themselves, in my opinion, will not make Americans safer. We lose 33,000 people a year already to gun violence, arming more people to do what I think is not the appropriate response to terrorism.

I think what is...

(APPLAUSE)

Is creating much deeper, closer relations and, yes, coalitions within our own country. The first line of defense against radicalization is in Muslim-American community. People who we should be welcoming and working with.

I worry greatly that the rhetoric coming from the Republicans, particularly Donald Trump, is sending a message to Muslims here in the United States and literally around the world that there is a "clash of civilizations," that there is some kind of Western plot or even "war against Islam," which then I believe fans the flames of radicalization.

So guns have to be looked at as its own problem, but we also have to figure out how we're going to deal with the radicalization here in the United States.

(CROSSTALK)

RADDATZ: Senator Sanders -- wait just a moment, please, Governor O'Malley.

Senator Sanders, we've seen those long lines of people buying guns in record numbers after the Paris attacks. Would you discourage people from buying a gun?

SANDERS: It's a country in which people choose to buy guns. I think half of the -- more than half of the people in my own state of Vermont, my guess here in New Hampshire, are gun owners. That's the right of people.

But this is what I do believe. I believe that when we have some 300 million guns in this country, I believe that when we have seen these horrific mass killings, not only in San Bernardino, but in Colorado and movie theaters in Colorado, I think we have got to bring together the vast majority of the people who do in fact believe in sensible gun safety regulations.

For example, talking about polls, a poll recently came out, overwhelming majority of the American people say we should strengthen the instant background check. Who denies that it is crazy...

(APPLAUSE)

Who denies that it is crazy to allow people to own guns who are criminals or are mentally unstable? We've got to eliminate the gun show loophole. In my view, we have got to see that weapons designed by the military to kill people are not in the hands of civilians.

I think there is a consensus.

(APPLAUSE)

I think -- I'm not going to say that everybody is in agreement. It's a divided country on guns. But there is a broad consensus on sensible gun safety regulations that I, coming from a state that has virtually no gun control, will do my best to bring together.

O'MALLEY: Martha, if I may...

RADDATZ: Thank you, Senator Sanders.

(CROSSTALK)

RADDATZ: I think we're going to go on...

O'MALLEY: Excuse me, no.

MUIR: Governor, we have to abide the rules here, we'll call on you here shortly, but...

O'MALLEY: I am the only person on this stage who has actually...

MUIR: But I do want pick up on something...

O'MALLEY: ... passed comprehensive gun safety legislation with a ban on combat assault weapons, David.

And, look, there are profound differences...

(APPLAUSE)

O'MALLEY: Senator Sanders voted against the Brady Bill. Senator Sanders voted to give immunity to gun dealers. And Senator Sanders voted against even research dollars to look into this public health issue.

Secretary Clinton changes her position on this every election year, it seems, having one position in 2000 and then campaigning against President Obama and saying we don't need federal standards.

Look, what we need on this issue is not more polls. We need more principle. When ISIL does training videos that say the easiest way to get a combat assault weapon in the United States of America is at a gun show, then we should all be waking up. We need comprehensive gun safety legislation and a ban on assault weapons.

RADDATZ: Governor, now -- and let me stay with gun control for a minute, then. You talk about assault weapons. Even if you were able to ban the purchase of assault weapons tomorrow, Americans already own an estimated 7 to 10 million semi-automatic rifles.

Would you make it illegal to own those weapons, force people to turn them in? And if not, how would banning the sales really make a difference?

O'MALLEY: Because, Martha, it would prevent people like the guy that just got charged yesterday perhaps from being able to buy combat assault weapons. You know, we are the only nation, only developed nation on the planet...

RADDATZ: But, again, I'm not talking about buying. Would you have them confiscated? The ones that are already here?

O'MALLEY: No, Martha, I would not. And that's not what we did in Maryland. But you know what we did in Maryland? We overcame the NRA's objections. We overcame all of the crowds that were coming down there.

We did our own rallies. And at least if we enact these laws in a prospective way, we can address a major vulnerability in our country. **ISIL videos, ISIL training videos are telling lone wolves the easiest way to buy a combat assault weapon in America is at a gun show.**

And it's because of the flip-flopping, political approach of Washington that both of my two colleagues on this stage have represented there for the last forty years.

SANDERS: Whoa, whoa, whoa. Let's calm down a little bit, Martin.

CLINTON: Yes, let's tell the truth, Martin.

O'MALLEY: I am telling the truth.

SANDERS: First of all, let's have some rules here, commentators.

MUIR: We will.

(LAUGHTER)

SANDERS: All right.

MUIR: But let me just establish that for you, senator. Really quickly governor, we are going to call on you tonight and it's very clear you have a lot to say but please wait until you're called upon. And senator, he invoked your record and I'll let you respond.

SANDERS: He sure did.

MUIR: I'll let you respond.

CLINTON: He invoked mine as well.

MUIR: And you will get some to as well.

SANDERS: Sure did. All right. First off, we can do all the great speeches we want but you're not going to succeed unless there is a consensus. In 1988, just to set the record straight governor, I ran for the U.S. House. We have one House member from Vermont, three candidates in the race. One candidate said, you know what, I don't think it's a great idea that we sell automatic weapons in this country that are used by the military to kill people very rapidly.

Gun people said, there were three candidates in the race, you vote for one of the others, but not Bernie Sanders. I lost that election by three percentage points. Quite likely, for that reason. So please, do not explain to me, coming from a state where democratic governors and republican governors have supported virtually no gun control.



(CROSSTALK)

Excuse me. Do not tell me that I have not shown courage in standing up to the gun people, in voting to ban assault weapons, voting for instant background checks, voting to end the gun show loop hole and now we're in a position to create a consensus in America on gun safety.

(APPLAUSE)

MUIR: Senator, thank you. I want to move on here. Secretary Clinton, you brought up Donald Trump a short time ago.

CLINTON: I do and this is an important issue and I know we'll get to a lot of other critical ones as well. I actually agree with Governor O'Malley about the need for common sense gun safety measures. And I applaud his record in Maryland. I just wish he wouldn't misrepresent mine. I have been for the Brady bill, I have been against assault weapons.

I have voted not to give gun makers and sellers immunity. And I also know that -- and I'm glad to see this -- Senator Sanders has really moved in face of the facts about what we're confronting in our country. I know that he has said in the two previous that he wants to take on this immunity issue because we need to send a strong message to the gun manufacturers, to the sellers, to the gun lobby.

And I would hope, Senator Sanders, that you would join the Democrats who are trying to close the Charleston loophole, that you would sponsor or co-sponsor legislation to remove the absolute immunity. We need to move on this consensus that exists in the country. It's no longer enough just to say the vast majority of Americans want common sense gun safety measures including gun owners.

We need, and only the three of us will do this, nobody on the Republican side will even admit there's a problem. And in whatever way the three of us can we need to move this agenda forward and begin to deal with the gun lobby and the intimidation that they present.

(APPLAUSE)

MUIR: Secretary Clinton, thank you. We're going to move on from guns here and go back to something you mentioned a short time ago. You brought up Donald Trump first here this evening. We've now seen the polling done well after his proposed ban on Muslims coming to America. Thirty-six percent of Americans, more than a third, agree with him.

You have weighed in already on Donald Trump. You've weighed in on the proposed ban. But what would you say to the millions of Americans watching tonight who agree with him? Are they wrong?

CLINTON: Well I think a lot of people are understandably reacting out of fear and anxiety about what they're seeing. First what they saw in Paris, now what they have seen in San Bernardino. And Mr. Trump has a great capacity to use bluster and bigotry to inflame people and to make think there are easy answers to very complex questions.

So what I would say is, number one, we need to be united against the threats that we face. We need to have everybody in our country focused on watching what happens and reporting it if it's suspicious, reporting what you hear. Making sure that Muslim Americans don't feel left out or marginalized at the very moment when we need their help.

CLINTON: You know, I was a senator from New York after 9/11, and we spent countless hours trying to figure out how to protect the city and the state from perhaps additional attacks. One of the best things that was done, and George W. Bush did this and I give him credit, was to reach out to Muslim Americans and say, we're in this together. You are not our adversary, you are our partner.

And we also need to make sure that the really discriminatory messages that Trump is sending around the world don't fall on receptive ears. He is becoming ISIS's best recruiter. They are going to people showing videos of Donald Trump insulting Islam and Muslims in order to recruit more radical jihadists. So I want to explain why this is not in America's

interest to react with this kind of fear and respond to this sort of bigotry.

MUIR: Secretary, thank you.

Senator Sanders, I did want to ask you about a neighbor in San Bernardino who reportedly witnessed packages being delivered to that couple's home, that it set off red flags, but they didn't report it because they were afraid to profile. What would you say to Americans afraid to profile? Is it ever acceptable?

SANDERS: Well, the answer is, obviously, if you see suspicious activity, you report it. That's kind of a no-brainer. You know, somebody is loading guns and ammunition into a house, I think it's a good idea to call 911. Do it.

(LAUGHTER)

MUIR: But I'm asking about -- I'm asking about profiling. Because a lot of people are afraid of that.

SANDERS: But I want to talk -- I want to talk about something else, because Secretary Clinton I think made some interesting and good points. What you have now is a very dangerous moment in American history.

The secretary is right: Our people are fearful. They are anxious on a number of levels. They are anxious about international terrorism and the possibility of another attack on America. We all understand that.

But you know what else they're anxious about? They're anxious about the fact that they are working incredibly long hours, they're worried about their kids, and they're seeing all the new income and wealth -- virtually all of it -- going to the top 1 percent. And they're looking around them, and they're looking at Washington, and they're saying the rich are getting much richer, I'm getting poorer, what are you going to do about it? What are you going to do

for my kids?

And somebody like a Trump comes along and says, "I know the answers. The answer is that all of the Mexicans, they're criminals and rapists, we've got to hate the Mexicans. Those are your enemies. We hate all the Muslims, because all of the Muslims are terrorists. We've got to hate the Muslims." Meanwhile, the rich get richer.

So what I say to those people who go to Donald Trump's rallies, understand: He thinks a low minimum wage in America is a good idea. He thinks low wages are a good idea.

I believe we stand together to address the real issues facing this country, not allow them to divide us by race or where we come from. Let's create an America that works for all of us, not the handful on top.

(APPLAUSE)

MUIR: Senator, thank you.

RADDATZ: I want to move to another...

O'MALLEY: Martha, may I -- Martha, may I...

(CROSSTALK)

RADDATZ: No, no, not yet, Governor O'Malley.

O'MALLEY: Can I share this quick story?

RADDATZ: No, not yet, Governor O'Malley.

O'MALLEY: Oh. All right.

RADDATZ: I'll come to you when we call on you. Thank you very much.

O'MALLEY: When you come back to me, I'll share that story.

RADDATZ: You'll be happy. I'll let -- I'll let you talk then.

Secretary Clinton, I want to talk about a new terrorist tool used in the Paris attacks, encryption. FBI Director James Comey says terrorists can hold secret communications which law enforcement cannot get to, even with a court order.

You've talked a lot about bringing tech leaders and government officials together, but Apple CEO Tim Cook said removing encryption tools from our products altogether would only hurt law-abiding citizens who rely on us to protect their data. So would you force him to give law enforcement a key to encrypted technology by making it law?

CLINTON: I would not want to go to that point. I would hope that, given the extraordinary capacities that the tech community has and the legitimate needs and questions from law enforcement, that there could be a Manhattan-like project, something that would bring the government and the tech communities together to see they're not adversaries, they've got to be partners.

It doesn't do anybody any good if terrorists can move toward encrypted communication that no law enforcement agency can break into before or after. There must be some way. I don't know enough about the technology, Martha, to be able to say what it is, but I have a lot of confidence in our tech experts.

And maybe the back door is the wrong door, and I understand what Apple and others are saying about that. But I also understand, when a law enforcement official charged with the responsibility of preventing attacks -- to go back to our early questions, how do we prevent attacks -- well, if we can't know what someone is planning, we are going to have to rely on the neighbor or, you know, the member of the mosque or the teacher, somebody to see

something.

CLINTON: I just think there's got to be a way, and I would hope that our tech companies would work with government to figure that out. Otherwise, law enforcement is blind -- blind before, blind during, and, unfortunately, in many instances, blind after.

So we always have to balance liberty and security, privacy and safety, but I know that law enforcement needs the tools to keep us safe. And that's what i hope, there can be some understanding and cooperation to achieve.

RADDATZ: And Governor O'Malley, where do you draw the line between national security and personal security?

O'MALLEY: I believe that we should never give up our privacy; never should give up our freedoms in exchange for a promise of security. We need to figure this out together. We need a collaborative approach. We need new leadership.

The way that things work in the modern era is actually to gather people around the table and figure these things out. The federal government should have to get warrants. That's not some sort of passe you know, antique sort of principle that safeguards our freedoms.

But at the same time with new technologies I believe that the people creating these projects - - I mean these products also have an obligation to come together with law enforcement to figure these things out; true to our American principles and values.

My friend Kashif, who is a doctor in Maryland; back to this issue of our danger as a democracy of turning against ourselves. He was putting his 10 and 12-year-old boys to bed the other night. And he is a proud American Muslim. And one of his little boys said to him, "Dad, what happens if Donald Trump wins and we have to move out of our homes?" These are very, very real issues. this is a clear and present danger in our politics within.

We need to speak to what unites us as a people; freedom of worship, freedom of religion, freedom of expression. And we should never be convinced to give up those freedoms in exchange for a promise of greater security; especially from someone as untried and as incompetent as Donald Trump.

RADDATZ: Thank you, Governor O'Malley.

MUIR: Martha, we're going to turn now to refugees coming to America. And on the subject of refugees, more than half of all Americans now say they oppose taking in refugees from Syria and across the Middle East.

Secretary Clinton, you have said that it would undermine who we are as Americans, shutting our doors. But New Hampshire's governor, where we are right here tonight, a democrat and a supporter of yours, is among more than 30 governors who are now concerned. Governor Maggie Hassan says, "we should halt acceptance of Syrian refugees until U.S. authorities can assure the vetting process, halt Syrian refugees." Is she wrong?

CLINTON: Well, I agree that we have to have the toughest screening and vetting...

MUIR: But a halt?

CLINTON: I don't think a halt is necessary. What we have to do is put all of our resources through the Department of Homeland Security, through the State Department, through our intelligence agencies, and we have to have an increased vetting and screening. Now, this takes, David, 18 months to 24 months, two years.

So I know it's not going to happen overnight and everything that can be done should be done. But the process should move forward while we are also taking on ISIS, putting together the kind of strategy that I've advocated for, and making sure that the vetting and the screening is as tough as possible. Because I do believe that we have a history and a tradition, that is part of our values system and we don't want to sacrifice our values.

We don't want to make it seem as though we are turning into a nation of fear instead of a nation of resolve. So I want us to have a very tough screening process but I want that process to go forward. And if at the end of 18 months, 24 months there are people who have been cleared, and I would prioritize widows, and orphans, and the elderly, people who may have relatives, families, or have nowhere else to go. I would prioritize them.

And that would I think give the American public a bit more of a sense of security about who is being processed and who might end up coming as refugees.

MUIR: Governor O'Malley, obviously you were governor yourself at one time. What would you say to New Hampshire's governor tonight? Is she wrong on this?

O'MALLEY: No, what I would say is this is look, I was the first of the three of us to call for America to accept the 65,000 refugees we were asked to accept. And if this humanitarian crisis increases, we should accept more.

MUIR: So the idea of a halt or a pause?

(APPLAUSE)

O'MALLEY: David, there are wider vulnerabilities than when it comes to refugees. I met recently with some members of the Chaldean Christian communities and the wait times are a year, 18 months, 24 months. There is a pretty excruciating process that refugees go through. We need to invest more in terms of the other sort of visas and the other sort of waivers.

O'MALLEY: What these Chaldean families told me was that their families in Syria, when ISIS moves into their town, they actually paint a red cross across the door and mark their homes for demolition, and that tells the family you'd better get out now. The sort of genocide and brutality that the victims are suffering, these are not the perpetrators.

We need to be the nation whose enduring symbol is the Statue of Liberty, and we need to act



like the great country we are, according to our values.

MUIR: Governor, thank you.

RADDATZ: Senator Sanders -- Senator Sanders, we're going to move on. We're going to move on.

SANDERS: Excuse me. May I have a chance to respond to this issue?

RADDATZ: We're going to move on to the fight against ISIS. You're the one who told us we have to follow the rules and break it off.

(LAUGHTER)

SANDERS: Yeah, but the rule includes equal -- got it. All right.

(LAUGHTER)

RADDATZ: OK. Let's keep going. Thank you.

SANDERS: All right. Let's keep going. OK.

RADDATZ: Thank you. I do want to move to the fight against ISIS.

SANDERS: Yeah.

RADDATZ: For the people of New Hampshire, the brutality of ISIS is personal. James Foley grew up here. The first hostage, a journalist, brutally executed last year. You've all said ISIS is a ruthless enemy and must be stopped. Al Qaida as well.

Senator Sanders, you voted to send U.S. ground forces to fight in the coalition to help

destroy Al Qaida in Afghanistan. Can you then explain you why don't support sending U.S. combat troops to join a coalition to fight ISIS?

SANDERS: And I also voted and helped lead the effort against the war in Iraq, which will go down in history as one of the worst foreign blunders -- foreign policy blunders in the history of our country.

I voted against the first Gulf War, which set the stage, I believe, for the second Iraq war. And what I believe right now, and I believe this is terribly important, is the United States of America cannot succeed, or be thought of as the policeman of the world, that when there's an international crisis all over the world, in France and in the U.K. Or -- hey, just call up the American military and the American taxpayers, they're going to send the troops.

And if they have to be in the Middle East for 20 or 30 years no problem.

RADDATZ: But why Al Qaida, why not ISIS?

SANDERS: I have a problem with that, Martha. What I believe has got to happen is there must be an international coalition, including Russia, a well-coordinated effort.

But I agree, as I mentioned a moment ago, with King Abdullah. This is a war for the soul of Islam. The troops on the ground should not be American troops. They should be Muslim troops. I believe that countries like Saudi Arabia and Qatar have got to step up to the plate, have got to contribute the money that we need, and the troops that we need, to destroy ISIS with American support.

RADDATZ: The administration has tried that over and over again. If it doesn't work and this threat is so great, what's your plan B?

SANDERS: My plan is to make it work, to tell Saudi Arabia that instead of going to war in Yemen, they, one of the wealthiest countries on Earth, are going to have to go to war against

ISIS.

To tell Qatar, that instead of spending \$200 billion on the World Cup, maybe they should pay attention to ISIS, which is at their doorstep.

(APPLAUSE)

RADDATZ: Secretary Clinton, you too have ruled out a large U.S. combat force, yet you support sending in special operations forces to Syria, and sending those 100 to 200 troops to Iraq to do exploitation kill raids.

We've already lost one Delta Force member in a raid. It has looked very much to me like we're already in ground combat on frequent trips I've made there.

So, are you fooling Americans when you say, we're not putting American combat troops back into Syria or Iraq?

CLINTON: No. Not at all. I think that what we're facing with ISIS is especially complicated. It was a different situation in Afghanistan. We were attacked from Afghanistan. Al Qaida was based in Afghanistan. We went after those who had attacked us.

What's happening in Syria and Iraq is that, because of the failures in the region, including the failure of the prior government in Baghdad, led by Maliki, there has been a resurgence of Sunni activities, as exemplified by ISIS. And we have to support Sunni-Arab and Kurdish forces against ISIS, because I believe it would be not only a strategic mistake for the United States to put ground combat troops in, as opposed to special operators, as opposed to trainers, because that is exactly what ISIS wants.

They've advertised that. They want American troops back in the Middle East. They want American soldiers on the ground fighting them, giving them many more targets, and giving them a great recruiting opportunity.

CLINTON: So, I think it's absolutely wrong policy for us to be even imagining we're going end up putting tens of thousands of American troops into Syria and Iraq to fight ISIS.

And we do have to form a coalition. I know how hard that is. I have formed them. I put together a coalition, including Arabs, with respect to Libya and a coalition to put sanctions onto Iran. And you have to really work hard at it.

And the final thing I would say, bringing Donald Trump back into it, if you're going to put together a coalition in the region to take on the threat of ISIS you don't want to alienate the very countries and people you need to be part of the coalition. And so that is part of the reason why this is so difficult.

(APPLAUSE)

RADDATZ: Secretary Clinton, I want -- I want to follow up on that. You do support sending special operations forces there. You support what the president has done already. One of the lessons people draw from Vietnam and war since is that a little force can turn into a little more and a little more. President Obama certainly didn't expect to be sending 30,000 additional troops into Afghanistan the first year of his presidency.

Are you prepared to run the risk of a bigger war to achieve your goals to destroy ISIS, or are you prepared to give up on those goals if it requires a larger force?

CLINTON: Well, I just think you're asking a question with a false choice. I believe if we lead an air coalition, which we are now in the position of doing and intensify it, if we continue to build back up the Iraqi army, which has had some recent success in Ramadi, as you know, if we get back talking to the tribal sheiks in Anbar to try to rebuild those relationships, which were very successful, in going after Al Qaida in Iraq, if we get the Turks to pay more attention to ISIS than they're paying to the Kurds, if we do put together the kind of coalition with the specific tasks that I am outlining, I think we can be successful in destroying ISIS.

So that's what I'm focused on, that's what I've outlined and that's what I would do as president.

RADDATZ: Governor O'Malley.

(APPLAUSE) You've emphasized the need for more human intelligence on the ground. What is it our intelligence community is not doing now that needs to be done?

O'MALLEY: Well, we have invested nowhere near what we should be investing in human intelligence on the ground. And what I'm talking about is not only the covert CIA intelligence, I'm also talking about diplomatic intelligence. I mean, we've seen time and time again, especially in this very troubled region of nation-state failures, and then we have no idea who the next generation of leaders are that are coming forward.

So what I would say is not only do we need to be thinking in military terms, but we do our military a disservice when we don't greatly dial up the investment that we are making in diplomacy and human intelligence and when we fail to dial up properly, the role of sustainable development in all of this. As president, I would make the administrator of USAID an actual cabinet member. We have to act in a much more whole of government approach, as General Dempsey said.

And I do believe, and I would disagree somewhat with one of my colleagues, this is a genocidal threat. They have now created a safe haven in the vacuum that we allowed to be partly and because of our blunders, to be created to be created in the areas of Syria and Iraq. We cannot allow safe havens, and as a leader of moral nations around this Earth, we need to come up with new alliances and new ways to prepare for these new sorts of threats, because Martha, this will not be the last region where nation-states fail.

And you've seen a little bit of this emerging in the -- in the African Union and the things that they have done to better stabilize Somalia. We need to pay attention here in Central America as well. So this is the new type of threats that we're facing and we need to lead as a nation in

confronting it and putting together new alliances and new coalitions.

CLINTON: Well, I just want to quickly add...

RADDATZ: Thank you.

CLINTON: Martha, that -- you know, one of the reasons why I have advocated for a no-fly zone is in order to create those safe refuges within Syria, to try to protect people on the ground both from Assad's forces, who are continuing to drop barrel bombs, and from ISIS. And of course, it has to be de-conflicted with the Russians, who are also flying in that space.

I'm hoping that because of the very recent announcement of the agreement at the Security Council, which embodies actually an agreement that I negotiated back in Geneva in June of 2012, we're going to get a diplomatic effort in Syria to begin to try to make a transition. A no-fly zone would prevent the outflow of refugees and give us a chance to have some safe spaces.

RADDATZ: Secretary Clinton, I'd like to go back to that if I could. ISIS doesn't have aircraft, Al Qaida doesn't have aircraft. So would you shoot down a Syrian military aircraft or a Russian airplane?

CLINTON: I do not think it would come to that. We are already de-conflicting air space. We know...

RADDATZ: But isn't that a decision you should make now, whether...

CLINTON: No, I don't think so. I am advocating...

RADDATZ: ... if you're advocating this?

CLINTON: I am advocating the no-fly zone both because I think it would help us on the ground to protect Syrians; I'm also advocating it because I think it gives us some leverage in

our conversations with Russia.

Now that Russia has joined us in the Security Council, has adopted an agreement that we hashed out a long day in Geneva three years ago, now I think we can have those conversations. The no-fly zone, I would hope, would be also shared by Russia. If they will begin to turn their military attention away from going after the adversaries of Assad toward ISIS and put the Assad future on the political and diplomatic track, where it belongs.

(CROSSTALK)

MUIR: I want to take this to Senator -- I'm going to take this to Senator Sanders next, because I think there...

(CROSSTALK)

SANDERS: I have a difference of opinion with Secretary Clinton on this. Our differences are fairly deep on this issue. We disagreed on the war in Iraq. We both listened to the information from Bush and Cheney. I voted against the war.

But I think -- and I say this with due respect -- that I worry too much that Secretary Clinton is too much into regime change and a little bit too aggressive without knowing what the unintended consequences might be.

Yes, we could get rid of Saddam Hussein, but that destabilized the entire region. Yes, we could get rid of Gadhafi, a terrible dictator, but that created a vacuum for ISIS. Yes, we could get rid of Assad tomorrow, but that would create another political vacuum that would benefit ISIS. So I think, yeah, regime change is easy, getting rid of dictators is easy. But before you do that, you've got to think about what happens the day after. And in my view, what we need to do is put together broad coalitions to understand that we're not going to have a political vacuum filled by terrorists, that, in fact, we are going to move steadily -- and maybe slowly -- toward democratic societies, in terms of Assad, a terrible dictator. But I think in Syria the

primary focus now must be on destroying ISIS and working over the years to get rid of Assad. That's the secondary issue.

CLINTON: That is exactly...

MUIR: Senator, thank you.

CLINTON: That is exactly what I just said and what I just described.

MUIR: Yeah, but, Secretary Clinton -- Secretary Clinton...

CLINTON: And that is important, because now we have a U.N. Security Council that will enable us to do that. And, you know, with all due respect, Senator, you voted for regime change with respect to Libya. You joined the Senate in voting to get rid of Gadhafi, and you asked that there be a Security Council validation of that with a resolution.

All of these are very difficult issues. I know that; I've been dealing with them for a long time. And, of course, we have to continue to do what is necessary when someone like Gadhafi, a despot with American blood on his hands, is overturned. But I'll tell you what would have happened, if we had not joined with our European partners and our Arab partners to assist the people in Libya, you would be looking at Syria. Now the Libyans are turning their attention to try to dislodge ISIS from its foothold and begin to try to move together to have a unified nation.

SANDERS: I was not the secretary of state...

MUIR: Senator Sanders, Senator Sanders, hold on. One moment, please. I'm going to ask the secretary here, because there does appear to be some daylight here between the policies, at least in respect to when you take out Syrian President Bashar al-Assad. Right now or do you wait? Do you tackle ISIS first?



You have said, Secretary Clinton, that you come to the conclusion that we have to proceed on both fronts at once. We heard from the senator just this week that we must put aside the issue of how quickly we get rid of Assad and come together with countries, including Russia and Iran, to destroy ISIS first. Is he wrong?

CLINTON: I think we're missing the point here. We are doing both at the same time.

MUIR: But that's what he's saying, we should put that aside for now and go after ISIS.

CLINTON: Well, I don't agree with that, because we will not get the support on the ground in Syria to dislodge ISIS if the fighters there who are not associated with ISIS, but whose principal goal is getting rid of Assad, don't believe there is a political, diplomatic channel that is ongoing. We now have that. We have the U.N. Security Council adopting a resolution that lays out a transition path. It's very important we operate on both at the same time.

And let me just say a word about coalition-building, because I've heard Senator Sanders say this. I know how hard it is to build coalitions. I think it would be a grave mistake to ask for any more Iranian troops inside Syria. That is like asking the arsonist to come and pour more gas on the fire.

The Iranians getting more of a presence in Syria, linking with Hezbollah, their proxy in Lebanon, would threaten Israel and would make it more difficult for us to move on a path to have a transition that at some point would deal with Assad's future.

(CROSSTALK)

SANDERS: I happen to think...

O'MALLEY: I'd like to offer a...

(APPLAUSE)

MUIR: She says we have to proceed on both fronts at once.

SANDERS: Secretary Clinton is right. This is a complicated issue. I don't think anyone has a magical solution.

But this is what I do believe. Yes, of course Assad is a terrible dictator. But I think we have got to get our foreign policies and priorities right. The immediate -- it is not Assad who is attacking the United States. It is ISIS. And ISIS is attacking France and attacking Russian airliners.

The major priority, right now, in terms of our foreign and military policy should be the destruction of ISIS.

(APPLAUSE)

And I think -- and I think we bring together that broad coalition, including Russia, to help us destroy ISIS. And work on a timetable to get rid of Assad, hopefully through Democratic elections. First priority, destroy ISIS.

MUIR: Senator sanders, thank you.

O'MALLEY: May I offer a different generation's perspective on this?

MUIR: Governor O'Malley?

O'MALLEY: During the Cold War -- during the Cold War, we got into a bad habit of always looking to see who was wearing the jersey of the communists, and who was wearing the U.S. jersey. We got into a bad habit of creating big bureaucracies, old methodologies, to undermine regimes that were not friendly to the United States. Look what we did in Iran with Mosaddegh. And look at the results that we're still dealing with because of that. I would suggest to you that we need to leave the Cold War behind us, and we need to put together

new alliances and new approaches to dealing with this, and we need to restrain ourselves.

I mean, I know Secretary Clinton was gleeful when Gadhafi was torn apart. And the world, no doubt is a better place without him. But look, we didn't know what was happening next. And we fell into the same trap with Assad, saying -- as if it's our job to say, Assad must go.

We have a role to play in this world. But we need to leave the Cold War and that sort of antiquated thinking behind.

MUIR: But -- you criticized -- you criticized Secretary Clinton for what came next. What's your proposal for what comes after Assad?

O'MALLEY: I believe that we need to focus on destroying ISIL. That is the clear and present danger. And I believe that we can springboard off of this new U.N. resolution, and we should create, as Secretary Clinton indicated, and I agree with that, that there should be a political process.

But we shouldn't be the ones declaring that Assad must go. Where did it ever say in the Constitution, where is it written that it's the job of the United States of America or its secretary of State to determine when dictators have to go?

We have a role to play in this world. But it is not the world -- the role of traveling the world looking for new monsters to destroy.

(CROSSTALK)

SANDERS: David...

CLINTON: Since he has been making all kinds of comments.

(LAUGHTER)

I think it's fair to say, Assad has killed, by last count, about 250,000 Syrians. The reason we are in the mess we're in, that ISIS has the territory it has, is because of Assad.

I advocated arming the moderate opposition back in the day when I was still secretary of State, because I worried we would end up exactly where we are now.

And so, when we look at these complex problems, I wish it could be either/or. I wish we could say yes, let's go destroy ISIS and let's let Assad continue to destroy Syria, which creates more terrorists, more extremists by the minute.

No. We now finally are where we need to be. We have a strategy and a commitment to go after ISIS, which is a danger to us as well as the region... SANDERS (?): Secretary...

CLINTON: And we finally have a U.N. Security Council Resolution bringing the world together to go after a political transition in Syria.

SANDERS: Could I just say -- just say this...

CLINTON: If the United States does not lead, there is not another leader. There is a vacuum.

SANDERS: Can I just say this...

CLINTON: And we have to lead, if we're going to be successful.

(APPLAUSE)

MUIR: Senator Sanders, please. Go ahead.

Senator Sanders, a last word on this.

SANDERS: Of course the United States must lead. But the United States is not the

policeman of the world. The United States must not be involved in perpetual warfare in the Middle East. The United States, at the same time, cannot successfully fight Assad and ISIS.

ISIS, now, is the major priority. Let's get rid of Assad later. Let's have a Democratic Syria. But the first task is to bring countries together to destroy ISIS.

MUIR: Senator Sanders, thank you. When we come back here tonight, the other major issues of this election: jobs, the economy, health care.

Which candidates will make the best case for the middle class, as our coverage of the Democratic debate, here in New Hampshire, continues right after this on ABC.

ANNOUNCER: ABC News coverage of the New Hampshire Democratic debate will continue in a moment.

(COMMERCIAL BREAK)

MUIR: Welcome back tonight. As you can see, we have a packed audience here in New Hampshire and we're going to continue. We've already had a spirited conversation here at the top of the broadcast about ISIS, about the concerns of terror here on the homefront and as we await Secretary Clinton backstage, we're going to begin on the economy.

We want to turn to the American jobs, wages and raises in this country. And we believe Secretary Clinton will be coming around the corner any minute. But in the mean time we want to start with this eye-opening number. And Senator Sanders, this question goes to you first, anyway.

In 1995, the median American household income was \$52,600 in today's money. This year, it's \$53,600. That's 20 more years on the job with just a 2 percent raise. In a similar time-frame, raises for CEOs went up more than 200 percent.

(APPLAUSE)

CLINTON: Sorry.

MUIR: We're going to continue here, and Secretary, you'll get a chance on this too.

But as I pointed out the CEO pay, 200 percent of their time -- for that family of just 2 percent. You've all said, "you would raise the minimum wage." But Senator Sanders what else - speak to that household tonight. 20 years, just a 2 percent raise, how as president would you get them a raise right away?

SANDERS: First of all, we recognize that we have a rigged economy, as you've indicated. Middle class in this country for the last 40 years has been disappearing; are we better of today then we were when Bush left office? Absolutely. But as you've indicated for millions of American workers, people in New Hampshire -- all over America, they're working longer hours for lower wages deeply worried about their kids. So what do we do?

First statement is, we tell the billionaire class, "they cannot have it all." For a start, they're going to start to pay their fair share of taxes. Second of all what we do, is you raise the minimum wage to living wage, 15 bucks an hour over the next several years. Next thing we do, pay equity for women workers. Women should not be making 79 cents on the dollar compared to that.

Next thing that we do, real unemployment -- official unemployment, 5 percent, real employment 10 percent, youth unemployment, off the charts. We rebuild our crumbling infrastructure, our roads our bridges, our rail systems, we create 13 million jobs with a trillion-dollar investment.

Furthermore, in a competitive global economy, it is imperative that we have the best educated workforce in the world. That is why I'm going to have a tax on Wall Street speculation to make certain that public colleges and universities in America are tuition free.

MUIR: Senator Sanders, thank you.

Governor O'Malley, what would propose that would be different, how would you get the middle class a raise and without waiting another 20 years for another 2 percent.

O'MALLEY: Look these are the things that we did in own state through the recession. We actually passed a living wage. We raised the minimum wage. We actually raised it to the highest goals of any state in the nation also in minority and women participant goals because we understood that the way you reinvigorate and make fair market American capitalism work, is to make the choices and the investments that include more people more full in the economic success of your state.

All through the recession, we defended the highest median income in America and the second highest median income for African American families. How? By actually doing more for education. We increased education funding by 37 percent.

We were the only state in American that went four years in a row without a penny increase in college tuition. We invested more in our infrastructure and we squared our shoulders to the great business opportunity of this era and that is moving our economy to a 100 percent clean electric energy future. We created 2,000 new jobs in the solar industry and we fought every single day to adopt more inclusive economic practices.

O'MALLEY: So David, the conclusion of all of those things is this; they weren't hopes, they weren't dreams, they weren't amorphous goals out there. We actually took action to do these things and as president, I have put forward 15 strategic goals that will make wages go up again for all American families. Universal national service is an option for every kid in America to cut youth employment.

And I'm the only candidate on this stage to put forward a new agenda for America's cities so we can employ more people in the heart of great American cities and get them back to work.

MUIR: Governor, thank you. Secretary Clinton...

(APPLAUSE)

As you were walking in, I was talking about the median American household getting a two percent raise over the last 20 years, that CEO pay in that same time frame has gone up 200 percent. So for those families watching tonight, how do you get them a raise if you're president?

CLINTON: Well, I've been talking to a lot of these families, and this is such an outrage, both because it's bad for our economy, we're a 70 percent consumption economy, people need to feel optimistic and confident, they need to believe their hard work is going to be rewarded, and it's bad for our democracy. It's absolutely the case that if people feel that the game is rigged, that has consequences.

I think it's great standing up here with the senator and the governor talking about these issues, because you're not going to hear anything like this from any of the Republicans who are running for president.

(APPLAUSE)

They don't want to raise the minimum wage, they don't want to do anything to increase incomes. At the center of my economic policy is raising incomes, because people haven't been able to get ahead, and the cost of everything, from college tuition to prescription drugs, has gone up.

Of course we have to raise the minimum wage. Of course we have to do more to incentivize profit sharing, like we see with Market Basket right here in New Hampshire and New England, where all of the employees get a chance to share in the profits.

(APPLAUSE)



And we've got to do more on equal pay for equal work. That means pass the Paycheck Fairness Act so we have transparency about how much people are making. That's the way to get women's wages up, and that's good for them and good for their families and good for our communities.

(APPLAUSE)

And there is a lot we can do in college affordability. I have debt-free tuition plans, free community college plans, getting student debt down. I also am very committed to getting the price of drugs down. And there's a lot. You can go to my website...

MUIR: Secretary...

CLINTON: ... [hillaryclinton.com](http://hillaryclinton.com), and read about it. But I guess the final thing that -- that I would say is this is the kind of debate we need to take to the Republicans in the fall.

MUIR: Secretary, thank you.

(APPLAUSE)

CLINTON: This is the election...

MUIR: We're going to -- we're going to...

CLINTON: ... issues they have to respond to.

MUIR: And we're going to talk about college education in a moment. But Secretary Clinton, I did want to ask you, the last time you ran for president, Fortune Magazine put you on its cover with the headline Business Loves Hillary, pointing out your support for many CEOs in corporate America. I'm curious, eight years later, should corporate America love Hillary Clinton?

CLINTON: Everybody should.

(LAUGHTER)

(APPLAUSE)

Look, I have said I want to be the president for the struggling, the striving and the successful. I want to make sure the wealthy pay their fair share, which they have not been doing. I want the Buffett Rule to be in effect, where millionaires have to pay 30 percent tax rates instead of 10 percent to nothing in some cases. I want to make sure we rein in the excessive use of political power to feather the nest and support the super wealthy.

But I also want to create jobs and I want to be a partner with the private sector. I'm particularly keen on creating jobs in small business. My dad was a small businessman, a really small business. I want to do more to help incentivize and create more small businesses. So if -- if people who are in the private sector know what I stand for, it's what I fought for as a senator, it's what I will do as president, and they want to be part of once again building our economy so it works for everybody, more power to them, because they are the kind of business leaders who understand that if we don't get the American economy moving and growing, we're not going to recognize our country and we're not going to give our kids the same opportunities that we had.

MUIR: Secretary, thank you. Senator Sanders...

(APPLAUSE)

I want to stay on this and ask you how big a role does corporate America play in a healthy economy and will corporate America love a President Sanders?

SANDERS: No, I think they won't.

(LAUGHTER)

(APPLAUSE)

So Hillary and I have a difference. The CEOs of large multinationals may like Hillary. They ain't going to like me and Wall Street is going to like me even less.

(APPLAUSE)

And the reason for that is we've got to deal with the elephant in the room, which is the greed, recklessness and illegal behavior on Wall Street. When you have six financial institutions in this country that issue two-thirds of the credit cards and one-third of the mortgages, when three out of four of them are larger today than when we bailed them out because they are too big to fail, we've got to re-establish Glass-Steagall, we have got to break the large financial institutions up.

SANDERS: So I don't think...

(APPLAUSE)

... having said that, I don't think I'm going to get a whole lot of campaign contributions from Wall Street. I don't have a super PAC. I don't want campaign contributions from corporate America.

And let me be clear: While there are some great corporations creating jobs and trying to do the right thing, in my view -- and I say this very seriously -- the greed of the billionaire class, the greed of Wall Street is destroying this economy and is destroying the lives of millions of Americans. We need an economy that works for the middle class, not just a handful of billionaires, and I will fight and lead to make that happen.

MUIR: Senator, thank you. I want to...

(APPLAUSE)

(CROSSTALK)

MUIR: Governor, let me just ask you, though, because it is an important question, how important a role do you think corporate America plays in a healthy economy here in the U.S.?

O'MALLEY: Look, I look at our economy as an ecosystem. And the fact of the matter is that the more fully people participate, the more our workers earn, the more they will spend, the more our economy will grow. And most heads of businesses -- large, medium and small -- understand that.

But there is a better way forward than either of those offered by my two opponents here on this stage. We're not going to fix what ails our economy, we're not going to make wages go up for everyone by either trying to replace American capitalism with socialism -- which, by the way, the rest of the world is moving away from -- nor will we fix it by submitting to sort of Wall Street-directed crony capitalism.

And for my part, I have demonstrated the ability to have the backbone to take on Wall Street in ways that Secretary Clinton never, ever has. In fact, in the last debate, very shamefully, she tried to hide her cozy relationship with Wall Street big banks by invoking the attacks of 9/11.

I believe that the way forward for our country is to actually reinvigorate our antitrust department with the directive to promote fair competition. There's mergers that are happening in every aspect of our country that is bad for competition and it's bad for -- for upward mobility of wages.

And the worst type of concentration, Secretary Clinton, is the concentration of the big banks, the big six banks that you went to and spoke to and told them, oh, you weren't responsible

for the crash, not by a long shot.

And that's why today you still cannot support, as I do, breaking up the big banks and making sure that we pass a modern-day Glass- Steagall, like we had in late 1999, before it was repealed and led to the crash, where so many millions of families lost their jobs and their homes. And I was on the front lines of that, looking into the eyes of my neighbors...

CLINTON: OK...

MUIR: Governor O'Malley, thank you.

(CROSSTALK)

MUIR: I do want to ask you, Secretary Clinton. Let me just ask you...

CLINTON: Let me respond...

MUIR: We did -- we did -- Secretary Clinton, let me just ask you...

(CROSSTALK)

CLINTON: Under the rules, I have been -- I have been invoked, David, so let me respond very quickly. Number one...

MUIR: And in particular...

(CROSSTALK)

CLINTON: Number one, there are currently two hedge fund billionaires running ads against me here in New Hampshire. They started in Iowa. Now, you'd have to ask yourself, why are they running ads against me? And the answer is: Because they know I will go right after

them, that I will not let their agenda be America's agenda.

Secondly, I think it's important to point out that about 3 percent of my donations come from people in the finance and investment world. You can go to [opensecrets.org](http://opensecrets.org) and check that. I have more donations from students and teachers than I do from people associated with Wall Street.

(APPLAUSE)

Now, number three -- and let me say this -- when Governor O'Malley was heading the Democratic Governors Association, he had no trouble at all going to Wall Street to raise money to run campaigns for Democratic governors. And he also had no trouble appointing an investment banker to be in charge of his consumer protection bureau when he was governor.

So, you know, again, the difference between us and the Republicans is night and day. And there is only one person on this stage who voted to take away authority from the SEC and the Commodities Future Trading Commission that they could no longer regulate what are called swaps and derivatives, which actually contributed to the collapse of Lehman Brothers, and that was Senator Sanders.

So if we're going to be talking like this, we can -- and maybe we can score some political points -- but the fact is: Every one of us stands for the kind of economy that will work better for every American. And if that means taking on Wall Street, I have a plan that is tough and comprehensive and praised by a lot of folks who say it goes further than what both Senator Sanders and Governor O'Malley are proposing.

SANDERS: Let me just -- let me just...

MUIR: Secretary Clinton, thank you.

SANDERS: Let me just jump in. My name was invoked.

MUIR: Senator?

SANDERS: So with that invocation, let me say a few words.

(LAUGHTER)

Secretary Clinton, I don't have a super PAC. I don't get any money from Wall Street. You have gotten a whole lot of money over the years from Wall Street. But most importantly, when you look at what happened in the 1990s, go to [berniesanders.com](http://berniesanders.com). I'll advertise my Web site as well.

(LAUGHTER)

And what you'll find is that I led -- helped lead the effort as a member of the House financial committee against Alan Greenspan, against a guy named Bill Clinton, maybe you know him, maybe you don't.

(LAUGHTER)

Against the Republican leadership, who all thought it would be a great idea to merge investor banks and commercial banks and large insurance companies. What a brilliant idea that would be.

Go to YouTube. Find out what I said to Greenspan. At the end of the day, if Teddy Roosevelt were alive today, and the governor makes a good point about trade, anti-trade, anti-monopoly activities.

Wall Street today has too much political power. It has too much economic power. To get deregulated -- listen to this, they spent \$5 billion in lobbying and campaign contributions

over a 10-year period.

MUIR: Senator Sanders...

SANDERS: Wall Street is a threat to the economy. They've got to be broken up.

(APPLAUSE)

MUIR: Thank you, Senator. RADDATZ: And we're going to move on to health care.

Secretary Clinton, the Department of Health and Human Services says more than 17 million Americans who are not insured now have health coverage because of Obamacare. But for Americans who already had health insurance the cost has gone up 27 percent in the last five years while deductibles are up 67 percent, health care costs are rising faster than many Americans can manage.

What's broken in Obamacare that needs to be fixed right now? And what would you do to fix it?

CLINTON: Well, I would certainly build on the successes of the Affordable Care Act and work to fix some of the glitches that you just referenced.

Number one, we do have more people who have access to health care. We have ended the terrible situation that people with pre-existing conditions were faced with where they couldn't find at any affordable price health care.

Women are not charged more than men any longer for our health insurance. And we keep young people on our policies until they turn 26.

(APPLAUSE)



Those are all really positive developments. But out-of-pocket costs have gone up too much and prescription drug costs have gone through the roof. And so what I have proposed, number one, is a \$5,000 tax credit to help people who have very large out-of-pocket costs be able to afford those.

Number two, I want Medicare to be able to negotiate for lower drug prices just like they negotiate with other countries' health systems.

(APPLAUSE)

We end up paying the highest prices in the world. And I want us to be absolutely clear about making sure the insurance companies in the private employer policy arena as well as in the Affordable Care exchanges are properly regulated so that we are not being gamed.

And I think that's an important point to make because I'm going through and analyzing the points you were making, Martha. We don't have enough competition and we don't have enough oversight of what the insurance companies are charging everybody right now.

(CROSSTALK)

RADDATZ: But you did say those were glitches.

CLINTON: Yes.

RADDATZ: Just glitches?

CLINTON: Well, they're glitches because...

RADDATZ: Twenty-seven percent in the last five years, deductibles up 67 percent?

CLINTON: It is. Because part of this is the startup challenges that this system is facing. We

have fought, as Democrats, for decades to get a health care plan. I know. I've got the scars to show from the effort back in the early '90s.

We want to build on it and fix it. And I'm confident we can do that. And it will have effects in the private market. And one of the reasons in some states why the percentage cost has gone up so much is because governors there would not extend Medicaid.

And so people are still going to get health care, thankfully, in emergency rooms, in hospitals. Those costs are then added to the overall cost, which does increase the insurance premiums for people in the private system.

(CROSSTALK)

RADDATZ: Senator Sanders, I want you to respond to what she was saying, but you're instead calling for single-payer health care.

SANDERS: Yes, exactly, exactly.

RADDATZ: You note people won't have to pay deductibles or premiums but they will have to pay new taxes. Can you tell us specifically how much people will be expected to pay?

SANDERS: Yes, well, roughly. Let me say this. As a member of the Health Education Committee that helped write the Affordable Care Act, much of what Secretary Clinton said about what we have done, among other things, ending the obscenity of this pre-existing situation is a step forward.

Seventeen more million more people have health care. It is a step forward. A step forward.

But this is what we also have to say. Not only are deductibles rising, 29 million Americans still have no health insurance and millions of people can't afford to go to the doctor. Major crisis and primary health care. Here is the bottom line. Why is it that the United States of

America today is the only major country on earth that does not guarantee health care to all people as a right?

Why is it...

(APPLAUSE)

SANDERS: Why is it that we are -- why is it that we spend almost three times per capita as to what they spend in the U.K., 50 percent more than what they pay in France, countries that guarantee health care to all of their people and in many cases, have better health care outcomes. Bottom line.

This ties into campaign finance reform. The insurance companies, the drug companies are bribing the United States Congress. We need to pass a Medicare for all single payer system. It will lower the cost of health care for a middle-class family by thousands of dollars a year.

RADDATZ: Senator Sanders, you didn't really tell us specifically how much people will be expected to pay...

SANDERS: But they will not be paying, Martha, any private insurance. So it's unfair to say in total...

RADDATZ: But you can't tell us this specifically, even if you were...

SANDERS: I can tell you that adding up the fact you're not paying any private insurance, businesses are not paying any private insurance. The average middle-class family will be saving thousands of dollars a year. RADDATZ: OK. Let's go to talk about the high cost of college education and for that we turn to the executive director of the New Hampshire Institute of Politics, right here at Saint Anselm college, Neil Levesque.

Neil?

LEVESQUE: Here to New Hampshire again. As you know, this auditorium is filled with many Saint Anselm college students. They know the outstanding student debt right now in America is \$1.3 trillion. That private education costs have gone up in the last decade 26 percent, and 40 percent for public education.

So knowing that, we know you want to make public education more affordable but how do you really lower the cost? Senator Sanders, you mentioned a few minutes ago that you want free tuition for public colleges.

SANDERS: And universities.

LEVESQUE: How does that really lower the cost other than just shifting the cost to taxpayers?

SANDERS: Well, Neil, I think we've got to work on a two-pronged approach. And your point is absolutely well taken. The cost of college education is escalating a lot faster than the cost of inflation. There are a lot of factors involved in that.

And that is that we have some colleges and universities that are spending a huge amount of money on fancy dormitories and on giant football stadiums. Maybe we should focus on quality education with well-paid faculty members. But...

(APPLAUSE)

SANDERS: And I understand in many universities a heck of a lot of vice presidents who earn a big salary. But, bottom line is this is the year 2015. If we are going to be competitive in the global economy we need the best educated workforce.

It is insane to my mind, hundreds of thousands of young people today, bright qualified people, cannot go to college because they cannot afford -- their families cannot afford to send them. Millions coming out of school as you indicated, deeply in debt. What do we do?

My proposal is to put a speculation tax on wall street, raise very substantial sums of money, not only make public colleges and universities tuition-free, but also substantially lower interest rates on student debt. You have families out there paying 6 percent, 8 percent, 10 percent on student debt, refinance their homes at 3 percent.

What sense is that? So I think we need radical changes in the funding of higher education. We should look at college today the way high school was looked at 60 years ago. All young people who have the ability should be able to get a college education. (APPLAUSE)

LEVESQUE: Governor O'Malley, how do you propose -- Governor O'Malley, how do you propose lowering some of these costs associated with higher education?

O'MALLEY: Yes, this one falls under the category of, I have actually done this. As a governor we actually made the greater investments so that we could go four years in a row without a penny's increase to college tuition.

My plan actually goes further than Senator Sanders because a big chunk of the cost is actually room and board and books and fees. So as a nation we need to increase what we invest in Pell grants. Yes, we need to make it easier for parents to refinance.

O'MALLEY: But states need to do more as well. And I propose a block grant program that will keep the states in the game as well. I believe that all of our kids should go into an income-based repayment plan.

I'm joined tonight by two daughters, Tara and Grace. My oldest daughter's a teacher. Man (ph), their mother's here as well. We were proud of them on graduation day, weren't we, Katie? And we're going to be proud every month for the rest of our lives.

I mean, we had to borrow so much money to send them to college and were not the only ones. There're families all across America who aren't able to contribute to our economy because of this crushing student loan. I also propose that we can pay for this with a tax on

high volume trades and we need to because my dad came to college after World War II on a G.I. Bill.

But today, we're the only nation on the planet that's saddling our kids with a lifetime of bills. That's a drag on the economy. It's one of the key investments we need to make. I was flattered that Secretary Clinton two months later borrowed so many of my proposals to incorporate into hers. And in our party, unlike the Republican party, we actually believe that the more our people learn, the more they will earn and higher education should be a right for every kid.

MUIR: Secretary Clinton.

CLINTON: Right.

MCELVEEN: Secretary Clinton, how does your plan differentiate from your opponents?

CLINTON: Well, I have what I call the new college compact. Because I think everybody has to have some skin in this game, you know.

Number one, States have been dis-investing in higher education. In fact, I think New Hampshire, in state tuition for public colleges and universities, is among the highest if not the highest in the country. So states over a period of decades have put their money elsewhere; into prisons, into highways, into things other than higher education. So under my compact, the federal government will match money that the states begin to put back in to the higher education system.

Secondly, I don't believe in free tuition for everybody. I believe we should focus on middle-class families, working families, and poor kids who have the ambition and the talent to go to college and get ahead. So I have proposed debt free tuition, which I think is affordable and I would move a lot of the Pell Grant and other aid into the arena where it could be used for living expense. So I put all of this together, again, on my website and I've gotten such a good

response.

But I want to quickly say, one of the areas that Senator Sanders touched on in talking about education and certainly talking about health care is his commitment to really changing the systems. Free college, a single payer system for health, and it's been estimated were looking at 18 to \$20 trillion, about a 40 percent in the federal budget.

And I have looked at his proposed plans for health care for example, and it really does transfer every bit of our health care system including private health care, to the states to have the states run. And I think we've got to be really thoughtful about how we're going to afford what we proposed, which is why everything that I have proposed I will tell you exactly how I'm going to pay for it; including college.

MCELVEEN: Thank you Secretary Clinton, thank you.

SANDERS: May I respond to the critique on the ...

MCELVEEN: Back to you David.

MUIR: We're going to get right into this Senator but I want to ask about taxes next. This is included.

SANDERS: I would just...

MUIR: She was asking about that...

SANDERS: But Secretary Clinton is wrong.

As you know, because I know you know a lot about health care. You know that the United States per capita pays far and away more than other country. And it is unfair simply to say how much more the program will cost without making sure that people know that, we are

doing away with cost of private insurance and that the middle class will be paying substantially less for health care on the single payer than on the Secretary's Clinton proposal.

CLINTON: Well, the only thing - the only thing I can go on Senator Sanders...

MUIR: Are we back on health care - Secretary Clinton hold one moment. Senator Sanders...

(CROSSTALK)

CLINTON: Your proposal is to go and send the health care system to the state.

MUIR: Secretary Clinton, please.

CLINTON: And my analysis is, that you are going to get more taxes out of middle class families. I'm the only person...

MUIR: So let's ask about it.

Secretary Clinton, let's turn to the taxes.

CLINTON: ... saying, no middle class tax raises. That's off the table...

MUIR: This is where we are going next, we are going next to taxes here...

SANDERS: Now, this is getting to be fun.

MUIR: This is fun.

(APPLAUSE)

This is democracy at work.



Secretary Clinton, let me ask you about your tax plan because from the crushing cost of college education, the next question most families have; is will my taxes go up under the next president? You have said it's your goal not to raise taxes on families making under \$200,000 a year a goal. But can you say that's a promise as you stand here tonight?

CLINTON: That is a pledge that I'm making. I made it when I ran in 2008.

MUIR: A promise?

CLINTON: Yes, and it was the same one that President Obama made. Because I don't think we should be imposing new big programs that are going to raise middle class families' taxes.

We just heard that most families haven't had a wage increase since 2001. Since, you know, the end of the last Clinton administration when incomes did go up for everybody. And we've got to get back to where people can save money again, where they can invest in their families, and I don't think a middle-class tax should be part of anybody's plan right now.

SANDERS: Let me respond to...

(APPLAUSE)

MUIR: Secretary Clinton...

SANDERS: Let me respond to...

MUIR: Please.

SANDERS: Number one, most important economic reality of today is that over the last 30 years, there has been a transfer of trillions of dollars from the middle class to the top one-tenth of one percent who are seeing a doubling of the percentage of wealth that they own.

Now, when Secretary Clinton says, "I'm not going raise taxes on the middle class," let me tell you what she is saying. She is disagreeing with FDR on Social Security, LBJ on Medicare and with the vast majority of progressive Democrats in the House and the Senate, who today are fighting to end the disgrace of the United States being the only major country on Earth that doesn't provide paid family and medical leave.

What the legislation is is \$1.61 a week. Now, you can say that's a tax on the middle class. It will provide three months paid family and medical leave for the working families of this country. I think, Secretary Clinton, \$1.61 a week is a pretty good invest.

MUIR: Senator, thank you. Let me bring in Governor O'Malley...

CLINTON: Senator, I have been -- I have been fighting for paid...

MUIR: You've heard...

CLINTON: ... family leave for a very long time...

MUIR: Secretary Clinton.

SANDERS: David, thank you.

CLINTON: I have a way to pay for it that actually makes the wealthiest pay for it...

SANDERS: Then (inaudible)...

CLINTON: ... not everybody else.

SANDERS: Every (inaudible) Democrat and senator in support of this proposal introduced by your good friend and my good friend, Kirsten Gillibrand, Rosa DeLauro, got ears (ph) to legislation out there that will finally provide family and medical leave.

MUIR: Thank you. I want to bring in Governor O'Malley on this. We heard the promise from Secretary Clinton because people want to know about their taxes, will they go up. She has now promised here tonight not to raise them on families making \$250,000 or less. Can you make that same promise if you're elected?

O'MALLEY: No, I've never made a promise like that. But unlike either of these two fine people, I've actually balanced a budget every single year. I was one -- I was the only -- one of only seven states that had a AAA bond rating. By the time I left, the average tax burden on Maryland families was the same as when I started.

But I did pass a more progressive income tax and asked the highest-earning people to pay another 14 percent. David, look, this is the big -- I agree, by the way, that we should have paid family leave. And I agree with Senator Sanders on that. And just like Social Security and unlike the Republicans, I think we should actually expand Social Security and increase average monthly benefits.

But look, there's one big entitlement we can no longer afford as a country, and that is the entitlement that the super wealthy among us, those earning more than a million dollars, feel that they're entitled to pay lower income tax rates and a far lower preferred income tax rate when it comes to capital gains.

If we were to raise the marginal rate to 45 percent for people earning more than a million dollars and if we tax capital gains essentially the same we do earnings from hard work and sweat and toil, you could generate \$800 billion over the next ten years and that would do so much good for affordable college, debt-free college, cutting youth unemployment in half, investing in our cities again.

So the things I have done in office are the things that actually invest in growing our economy and making wages go up. That's the issue that we need to tackle as Americans, and we can do it and we know how.

MUIR: Governor O'Malley, thank you. A spirited debate on taxes. And there will be more with the Democratic debate in New Hampshire, when we come back right here on ABC. More in a moment.

(COMMERCIAL BREAK)

MUIR: Welcome back tonight to New Hampshire. The Democratic debate continues here on ABC.

And Secretary Clinton, we want to turn to race, now, in America. There is a real concern in this country from Black Lives Matter and from other community groups that we're just now seeing, with smartphones and cell phones, what many have been dealing with for years when they come in contact with police.

But you also have many in law enforcement who now say there has been a so-called Ferguson effect, police holding back because they're afraid of backlash.

MUIR: In fact, the FBI director is calling it a chill wind blowing through American law enforcement. So, if elected president, how would you bridge the divide between the two?

CLINTON: Well, David, I think this is one of the most important challenges facing not just our next president but our country. We have systemic racism and injustice and inequities in our country and in particular, in our justice system that must be addressed and must be ended.

I feel very strongly that we have to reform our criminal justice system and we have to find ways to try to bring law enforcement together again with the communities that they are sworn to protect. Trust has been totally lost in a lot of places.

At the same time, we know that in many parts of our country police officers are bridging those divides and they're acting heroically. The young officer who was killed responding to

the Planned Parenthood murders. The officer who told the victims of the San Bernardino killings that he would take a bullet before them.

So I think that we need to build on the work of the policing commissioner that President Obama impaneled. We need to get a bipartisan commitment to work together on this.

And we need to hear the voices of those men and women and boys and girls who feel like strangers in their own country and do whatever is necessary to not only deal with the immediate problems within the criminal justice system, but more opportunities, more jobs, better education so that we can begin to rebuild that very valuable asset known as trust.

MUIR: Secretary, thank you.

(APPLAUSE)

MUIR: Governor O'Malley, how would you bridge the divide?

O'MALLEY: There is no issue in American public policy that I have worked on more day in and day out than this painful issue of policing, of law enforcement, criminal justice and race in America.

When I ran in 1999, David, for mayor of Baltimore, our city by that year had become the most addicted, violent, and abandoned in America. But we came together. I brought people together over some very deep racial divides. And we were able to put our city on the path for the biggest reduction in crime of any major city in America over the next ten years.

As governor, we continued to work together. We reduced violent crime to 30-year lows. But get this. We also reduced incarceration rates to 20-year lows. So it is possible actually, to find the things that actually work, that we did, increasing drug treatment, using big data to better protect the lives of young people, cut juvenile crime in half, and it's also possible to improve how we police our police.

But there wasn't a single day as mayor of Baltimore that I wasn't asked whether I was delivering on the promise I made to police the police. We reported excessive force, discourtesy, use of lethal force. In fact, drove down to three of the four lowest years on record police use of lethal force.

As a nation, we have to embrace this moment and make our departments more open, more transparent, and more accountable. Just as we require every major department, every county to report its major crimes, we should require police departments to report their discourtesy, brutality, excessive force.

There's so much work that can be done, so much we've learned to do better. We need to do it now as a nation. This is our time and our opportunity to do that.

MUIR: Governor, thank you.

(APPLAUSE)

MUIR: And Senator Sanders, when you hear the FBI director calling it a chill wind blowing through American law enforcement, does that concern you as well when you --

SANDERS: Well, this whole issue concerns me. And I agree with much of what the secretary and the governor have said. But let's be clear. Today in America we have more people in jail than any other country on earth, 2.2 million people. Predominantly African-American and Hispanic.

We are spending \$80 billion a year locking up our fellow Americans. I think, and this is not easy, but I think we need to make wage a major effort, to come together as a country and end institutional racism. We need major, major reforms of a very broken criminal justice system. Now, what does that mean?

Well, for a start it means that police officers should not be shooting unarmed people,

predominantly African-Americans.

(APPLAUSE)

SANDERS: It means that we have to rethink the so-called war on drugs which has destroyed the lives of millions of people, which is why I have taken marijuana out of the Controlled Substance Act. So that it will not be a federal crime.

SANDERS: That is why we need to make...

(APPLAUSE)

That is why we need to make police -- and I speak as a former mayor. I was a mayor for eight years, worked very closely with a great police department. And what we did is try to move that department toward community policing, so that the police officers become part of the community and not, as we see, in some cities an oppressive force.

We need to make police departments look like the communities they serve in terms of diversity. We need to end minimal sentencing. We need, basically, to pledge that we're going to invest in this country, in jobs and education, not more jails and incarceration.

(APPLAUSE)

MUIR: Senator, thank you. We want to turn now to an issue.

This next issue has destroyed so many families across the country, and in particular right here in New Hampshire, heroin. And there's a stunning new figure out. A recent poll -- 48 percent here, in this state alone, say they know someone who has abused heroin.

We're going to turn tonight to Dan Tuohy of the New Hampshire Union Leader who has this question.

QUESTION: New Hampshire has been hard hit by the heroin epidemic, and we're on track to have twice as many overdose deaths this year as in 2013.

What specifically would you do to address this crisis?

MUIR: Senator Sanders, I'm going to take this to you first because you've seen what's happened with heroin right on the border in your own state.

SANDERS: Yes. Look, this is a tragedy for New Hampshire. It is a tragedy for my state of Vermont. It is a tragedy all over this country. The number of heroin deaths are growing very, very significantly.

What do we do? Well, for a start, this may seem like a radical idea, but I think we have got to tell the medical profession and doctors who are prescribing opiates and the pharmaceutical industry that they have got to start getting their act together, we cannot have this huge number of opiates out there throughout this country, where young people are taking them, getting hooked, and then going to heroin.

Second of all, and the reason I believe in a health care for all program, we need to understand that addiction is a disease, not a criminal activity.

(APPLAUSE)

And that means -- and that means radically changing the way we deal with mental health and addiction issues. When somebody is addicted and seeking help, they should not have to wait three, four months in order to get that help. They should be able to walk in the door tomorrow and get a variety of treatments that work for them.

So those are some of the areas that I think we've got to move on.

MUIR: Senator, thank you. Secretary Clinton?



CLINTON: You know, on my very first visit to New Hampshire in this campaign, I was in Keene, and I was asked what are you going to do about the heroin epidemic? And all over New Hampshire, I met grandmothers who are raising children because they lost the father or the mother to an overdose. I met young people who are desperately trying to get clean and have nowhere to go, because there are not enough facilities.

So this is a major epidemic, and it has hit New Hampshire and Vermont particularly hard. I've had had two town halls, one in Keene, one in Laconia, dedicated exclusively to talking about what we can do. And I've heard some great ideas about how law enforcement is changing its behavior, how the recovery community is reaching out.

And I was proud to get the endorsement of Mayor Walsh of Boston, who has made his struggle with alcoholism a real clarion call for action in this arena.

So, I've laid out a five-point plan about what we can do together. I would like the federal government to offer \$10 billion over ten years to work with states, and I really applaud Governor Hassan for taking up this challenge and working with the legislature here to come up with a plan.

We need to do more on the prescribing end of it. There are too many opioids being prescribed, and that leads directly now to heroin addiction. And we need to change the way we do law enforcement, and of course, we need more programs and facilities, so when somebody is ready to get help, there's a place for them to go.

And every law enforcement should carry the antidote to overdose, Naloxone, so that they can save lives that are on the brink of expiring.

MUIR: Secretary, thank you. O'MALLEY: And you know, I actually know a great deal about this issue. And I have a dear friend, played music with him for years, remember when his -- when he came home with his baby girl, and now she's no longer with us, because of addiction and overdose.

The last time in New Hampshire, I had to take a break shortly after landing and call home and comfort a friend whose mother had died of an overdose.

O'MALLEY: Drugs have taken far too many of our citizens. It's a huge public health challenge. In our own city, I mentioned before, we had become the most addicted city in America.

But together, every single year, I expanded drug treatment funding within our city and then I expanded it in our state, and we were saving lives every single year doing the things that work, intervening earlier, understanding the continuum of care that's required until we got hit like every other state in the state -- in the United States, especially in New Hampshire and in the northeast with this opioid addiction, the over-prescribing.

I agree, we need better -- we need to rein in the over- prescribing, but I have put forward on my -- in my plan a \$12 billion federal investment. We have to invest in the local partnerships, and the best place to intervene, the best indicator of when a person is actually on the verge of killing themselves because of an addiction, is at the hospital. That very first time they show up with a near miss, we should be intervening there. That's what I said to my own public health people. What would we do if this were ebola? How would we act?

So many more Americans have been killed by the combination of heroin and these highly addictive pain pills, and yet, we refuse to act. There are things that can be done. Go on to my website. My plan is there. It's one of 15 strategic goals I've set out to make our country a better place by cutting these sort of deaths in half in the next five years.

MUIR: Governor O'Malley, thank you.

Martha?

(APPLAUSE)

RADDATZ: Secretary Clinton, I want to circle back to something that your opponents here have brought up. Libya is falling apart. The country is a haven for ISIS and jihadists with an estimated 2,000 ISIS fighters there today. You advocated for that 2011 intervention and called it smart power at its best. And yet, even President Obama said the U.S. should have done more to fill the leadership vacuum left behind. How much responsibility do you bear for the chaos that followed elections?

CLINTON: Well, first, let's remember why we became part of a coalition to stop Gadhafi from committing massacres against his people. The United States was asked to support the Europeans and the Arab partners that we had and we did a lot of due diligence about whether we should or not, and eventually, yes, I recommended and the president decided that we would support the action to protect civilians on the ground and that led to the overthrow of Gadhafi.

I think that what Libya then did by having a full free election, which elected moderates, was an indication of their crying need and desire to get on the right path. Now, the whole region has been rendered unstable, in part because of the aftermath of the Arab Spring, in part because of the very effective outreach and propagandizing that ISIS and other terrorist groups do.

But what we're seeing happening in Libya right now is that there has been a fragile agreement to put aside the differences that exist among Libyans themselves to try to dislodge ISIS from Sirte, the home town of Gadhafi, and to begin to try to create a national government.

You know, this is not easy work. We did a lot to help. We did as much as we could because the Libyans themselves had very strong feelings about what they wished to accept. But we're always looking for ways about what more we can do to try to give people a chance to be successful.

RADDATZ: Secretary Clinton, I want to go back. That -- government lacked institutions and

experience. It had been a family business for 40 years. On the security side, we offered only a modest training effort and a very limited arms buy-back program. Let me ask you the question again. How much responsibility do you bear for the chaos that followed those elections?

CLINTON: Martha, we offered a lot more than they were willing to take. We offered a lot more. We also got rid of their chemical weapons, which was a big help, and we also went after a lot of the shoulder-fired missiles to round them up. You know, we can't -- if we're not going to send American troops, which there was never any idea of doing that, then to try to send trainers, to try to send experts, is something we offered, Europeans offered, the U.N. offered, and there wasn't a lot of responsiveness at first.

I think a lot of the Libyans who had been forced out of their country by Gadhafi who came back to try to be part of a new government, believed they knew what to do and it turned out that they were no match for some of the militaristic forces inside that country. But I'm not giving up on Libya and I don't think anybody should. We've been at this a couple of years.

RADDATZ: But were mistakes made?

CLINTON: Well, there's always a retrospective to say what mistakes were made. But I know that we offered a lot of help and I know it was difficult for the Libyans to accept help. What we could have done if they had said yes would have been a lot more than what we were able to have done.

SANDERS: But what...

RADDATZ: Senator Sanders.

SANDERS: Look, the secretary is right. This is a terribly complicated issue. There are no simple solutions. But where we have a disagreement is that I think if you look at the history of regime changes, you go back to Mossaddegh (ph) in Iran, you go back to Salvador Allende

who we overthrew in Chile, you go back to overthrowing Saddam Hussein in Iraq, you go back to where we are today in Syria with a dictator named Assad.

The truth is it is relatively easy for a powerful nation like America to overthrow a dictator but it is very hard to predict the unintended consequences and the turmoil and the instability that follows after you overthrow that dictator.

So I think secretary Clinton and I have a fundamental disagreement. I'm not quite the fan of regime change that I believe she is.

O'MALLEY: Martha -- I would just repeat that --

CLINTON: Well, I would just repeat that.

RADDATZ: Secretary Clinton.

CLINTON: Wait a minute. I think it's only fair to put on the record, Senator Sanders voted in the Senate for a resolution calling for ending the Gadhafi regime and asking that the U.N. be brought in, either a congressional vote or a U.N. Security Council vote. We got a U.N. Security council vote.

Now, I understand that this is very difficult. And I'm not standing here today and saying that Libya is as far along as Tunisia. We saw what happened in Egypt. I cautioned about a quick overthrow of Mubarak, and we now are back with basically an army dictatorship.

This is a part of the world where the United States has tried to play two different approaches. One, work with the tough men, the dictators, for our own benefit and promote democracy. That's a hard road to walk. But I think it's the right road for us to try to travel.

O'MALLEY: And Martha...

RADDATZ: Quick Governor O'Malley.

O'MALLEY: ... and in this case, we probably let our lust for regime toppling get ahead of the practical considerations for stability in that region. And I believe that one of the big failings in that region is a lack of human intelligence. We have not made the investments that we need to make to understand and to have relationships with future leaders that are coming up.

That's what Chris Stevens was trying to do. But without the tools, without the support that was needed to that. And now what we have is a whole stretch now, of the coast of Libya, 100 miles, 150 miles, that has now become potentially the next safe haven for ISIL. They go back and forth between Syria and this region. We have to stop contributing to the creation of vacuums that allow safe havens to develop.

RADDATZ: Thank you very much. Thank you. We're going to move on here. Governor O'Malley, thank you very much for that. And we're going to make a very sharp turn as we wrap things up here.

Secretary Clinton, first ladies, as you well know, have used their position to work on important causes like literacy and drug abuse. But they also supervise the menus, the flowers, the holiday ornaments and White House decor. I know you think you know where I'm going here.

You have said that Bill Clinton is a great host and loves giving tours but may opt out of picking flower arrangements if you're elected. Bill Clinton aside, is it time to change the role of a president's spouse?

CLINTON: Well, the role has been defined by each person who's held it. And I am very grateful for all my predecessors and my successors because each of them not only did what she could to support her husband and our country but often chose to work on important issues that were of particular concern.

Obviously, Mrs. Obama has been a terrific leader when it comes to young people's health, particularly nutrition and exercise. And I think has had a big impact. So whoever is part of the family of a president has an extraordinary privilege of not only having a front row seat on history but making her or maybe his contribution.

And with respect to my own husband, I am probably still going to pick the flowers and the china for state dinners and stuff like that. But I will certainly turn to him as prior presidents have for special missions, for advice, and in particular, how we're going to get the economy working again for everybody, which he knows a little bit about.

(APPLAUSE)

MUIR: I do want to follow up here for each of you. And a similar line of questioning. Senator Sanders, your wife Jane shares an office at your campaign headquarters in Burlington. We've seen the pictures, the desks right next to each other. Would she have a desk close by in the west wing?

SANDERS: Given the fact that she's a lot smarter than me, yes, she would.

(LAUGHTER)

And let me, by the way, take this moment to congratulate Hillary Clinton, who I thought not only did an outstanding job as our first lady, but redefined what that role could be.

So, I thank you very much for that.

(LAUGHTER)

My wife, Jane, has been -- way back when before I knew her, a foster parent. Many, many kids came into her home and received the kind of love that they desperately needed. And she turned around many lives.

She is the best parent and grandmother that I know. She has devoted her life, when I was mayor of the city of Burlington, actually when I first met her, we started a youth office, which started a after-school programs for kids, started a child care center, started a youth newspaper. We got the kids involved in a whole lot of issues.

She led that effort. So I think, at a time when so many of our kids are desperately looking for constructive activity, where too many of our kids are hanging around on street corners, potentially getting into trouble, I think we need a forceful advocate for the children, for teenagers, for the little children, to deal with the dysfunctional child care system, and I think my wife would do a great job in helping me accomplish those goals.

MUIR: Senator, thank you.

Governor O'Malley -- Governor O'Malley, you have talked about your wife, Katie, here tonight. She's a district court judge. And the question for you is, would she have to give that up as first lady, or will she share an office in the west wing as well? O'MALLEY: Well, that would be totally up to her. I mean, Katie has never been a person who let her husband's professional choices get in the way of following her dreams.

And I think she got that from her mother, actually.

(APPLAUSE)

The -- and I readily admit that she is a far more accomplished lawyer than I was ever able to become, before I took my detour. She is a district court judge in Maryland. She puts in a full day there. We've raised four terrific kids. And yet, when she was first lady of the state, not only would she go to work every day and sit there through a lot of sad and gut-wrenching cases, but then she'd put in additional time being an advocate against domestic violence.

Maryland made great strides on that because of her advocacy, and her understanding of how the court process works. She was an advocate against bullying and implementing anti-



bullying things. So Katie O'Malley will do whatever Katie O'Malley wants to do, regardless of her husband's success in getting elected president.

(APPLAUSE)

MUIR: Governor O'Malley, thank you, (inaudible).

O'MALLEY: Thank you.

MUIR: Governor, thank you. We'll be back with much more from New Hampshire. The Democratic debate continues right after this.

(COMMERCIAL BREAK)

MUIR: Welcome back tonight. It's been an evening of lively discussion among the candidates and it's time for closing statements. We began in alphabetical order, so we'll reverse the order at the end and begin with you, Senator Sanders.

SANDERS: Well, thank you very much for hosting this debate, and let me applaud my colleagues up here. Because I think frankly, maybe I'm wrong, but on our worst day, I think we have a lot more to offer the American people than the right wing's extremists.

(APPLAUSE)

SANDERS: My father came to this country from Poland at the age of 17 without a nickel in his pocket, which sparked my interest in the need for immigration reform because I know what it's like to be the son of an immigrant.

We grew up in a three-and-a-half-room, rent controlled apartment in Brooklyn, New York. My mother's dream -- and she died very young, but my mother's dream for her whole life was to be able to get out of that rent-controlled apartment and own a home of her own. She

never lived to see that.

SANDERS: But what my parents did accomplish is they were able to send both of their sons to college. We were the first in the family. So I know something about economic anxiety and living in a family does not have sufficient income.

And that is why I am pledged, if elected president of the United States, to bring about a political revolution where millions of people begin to stand up and finally say enough is enough, this great country and our government belong to all of us, not just a handful of billionaires. Thank you very much.

(APPLAUSE)

RADDATZ: Governor O'Malley?

Martha, thank you. I want to thank all of the people who have tuned in tonight. I want to thank the great people of New Hampshire, where despite all of the cynicism about big money and big banks taking over our politics, here in New Hampshire, the individual matters.

You know, my wife Katie and I have four terrific kids, and like you, there's probably nothing we wouldn't do to give them a future that's safer, that's healthier, where they have more opportunity than our parents and grandparents gave to us. Tonight, what you listened to was a healthy exchange of ideas about how we'd do that, that which we have always proven, the capacity to do better than any nation in the world, to take actions that include more of our people more fully in the economic, social and political life of our country.

When you listened to the Republican debate the other night, you heard a lot of anger and you had a lot of fear. Well, they can have their anger and they can have their fear, but anger and fear never built America. We build our country by adopting wage and labor policies, including comprehensive immigration reform with a pathway of citizenship for all. We do it by investing in our country, by investing in infrastructure, by investing in the skills and the

talents of our people with debt-free college, and we can do it again.

And we also create a better future for our kids when we square our shoulders to the great challenges of our times, whether it's terror trying to undermine our values or Republican presidential candidates trying to get us to surrender our freedoms and our values in the face of this threat.

The other big challenge we have is climate change. The greatest business opportunity to come to the United States of America in 100 years. We need to embrace this. I have put forward a plan that does this, that moves us to 100 percent clean electric grid by 2050. Join this campaign for the future. New leadership is what our country needs to move us out of these divided and polarized times. Thank you.

MUIR: Governor, thank you.

(APPLAUSE)

Secretary Clinton?

CLINTON: On January 20th, 2017, the next president of the United States will walk into the White House. If, heaven forbid, that next president is a Republican, I think it's pretty clear we know what will happen. A lot of the rights that have been won over years, from women's rights to voter rights to gay rights to worker rights, will be at risk.

Social Security, which Republicans call a Ponzi scheme, may face privatization. Our vets may see the V.A. hospital that needs to be improved and made better for them turned over to privatization. Planned Parenthood will be defunded. The list goes on because the differences are so stark.

You know, everybody says every election's important, and there's truth to that. This is a watershed election. I know how important it is that we have a Democrat succeed President

Obama in the White House. And I will do all that I can in this campaign to reach out and explain what I stand for and what I will do as president.

You know, I became a grandmother 15 months ago, and so I spent a lot of time thinking about my granddaughter's future. But as president, I will spend even more time thinking about the futures of all the kids and the grandchildren in this country because I want to make sure every single child has a chance to live up to his or her God-given potential. If you will join me in this campaign, we will make that a mission. Thank you, good night and may the force be with you.

(APPLAUSE)

MUIR: Thank you to the candidates tonight. Thank you to the audience here in New Hampshire here at St. Anselm. And thank you to the audience at home. We wish all of you at home a happy and safe holiday week ahead and we wish all the candidates a happy and safe holiday with your families.

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